



80 South Jefferson Road  
Whippany, NJ 07981

Richard A. Askoff  
Executive Director – Regulatory

raskoff@neca.org  
973 884-8350  
fax 973 884-8008

August 24, 2010

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, N.W.  
TW-A325  
Washington, D.C. 20554

Re: NECA 2011 Modification of the Average Schedule Universal Service High Cost Loop Support Formula, WC Docket No. 05-337

Dear Ms. Dortch:

In compliance with the Wireline Competition Bureau's Order, 19 FCC Rcd 24998 (2004), attached is NECA's 2011 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. This filing contains proposed modifications to the formula used to calculate interstate universal service fund high cost loop expense adjustments for average schedule companies. These average schedule modifications are scheduled to take effect on January 1, 2011 and remain in effect through December 31, 2011.

In accordance with the Commission's rules, this *2011 Modification of the Average Schedule Universal Service High Cost Loop Support Formula* has been filed electronically in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Askoff".

Attachment:

2011 Modification of the Average Schedule Universal Service High Cost Loop Support Formula

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

**2011**

**NECA MODIFICATION OF  
THE AVERAGE SCHEDULE UNIVERSAL SERVICE  
HIGH COST LOOP SUPPORT FORMULA**

**August 24, 2010**

**NECA  
80 South Jefferson Road  
Whippany, NJ 07981**

**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
EFFECTIVE JANUARY 1, 2011**

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**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
EFFECTIVE JANUARY 1, 2011**

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**NECA MODIFICATION OF THE AVERAGE SCHEDULE  
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA  
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## **Summary**

In this filing, the National Exchange Carrier Association, Inc. (NECA) proposes modifications to the formula used to calculate Universal Service Fund (USF) high cost loop (HCL) expense adjustments for average schedule companies. This formula and associated cost per loop values are intended to govern HCL payments to average schedule companies in the 2011 calendar year.

This filing describes results of NECA's studies to update the HCL Cost per Loop formula, which continues to use methods approved by the Commission for use in determining average schedule USF payments in 2010<sup>1</sup>.

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<sup>1</sup> See, *National Exchange Carrier Association, Inc. and Universal Service Administrative Company, 2010 Modification of Average Schedule Universal Service Support Formulas, High-Cost Universal Service Support*, WC Docket No. 05-337, Order, 23 FCC Rcd 17876 (2009) (December 30, 2009 Order).

## A. Background

The proposed average schedule High Cost Loop (HCL) formula change is needed to assure payments to average schedule companies will simulate payments received by representative cost companies, as required by section 69.606(a) of the Commission's rules.

NECA proposes herein a formula relating cost per loop data of sample companies to their loops per exchange values (see Exhibit 1). NECA includes cost per loop amounts based on this formula for every average schedule study area in its Annual Universal Service Fund Submission of Study Results. These cost per loop amounts, when used with the payment algorithm prescribed in section 36.631 of the Commission's rules, will produce HCL payments to individual companies consistent with the Commission's rules.

Annual payments to average schedule companies under the proposed formula will total approximately \$23.4 million payable to 286 average schedule study areas in 2011. These payments reflect the maintenance of the cap on the overall fund size. In comparison, payments in 2010 under the current formula are expected to amount to \$19.6<sup>2</sup> million paid to 334 study areas. The proposed payments represent an increase of \$3.8 million, or 19.4%, compared to current payments.

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<sup>2</sup> These payments are substantially less than the \$27.3 million approved by the Bureau in its *December 30, 2009 Order* primarily because of adjustments to the NACPL made to assure the fund remains under its cap. These adjustments occurred as cost companies updated their data during the past year as permitted by section 36.612 of the Commission's rules.

It should be noted the average schedule portion of high cost funding is small, in part because average schedule companies generally have costs between 115% and 150% of the capped NACPL, and thus receive support compensating for only a minor portion of their loop costs. High cost loop funding for all rural companies in 2011 will amount to \$905.8 million. If the Commission approves the Cost per Loop formula proposed herein, the \$23.4 million in high cost loop funding made available in 2011 to average schedule companies will represent only 2.6% of the total rural high cost loop fund<sup>3</sup>. In contrast, there are 410 average schedule study areas, representing 30.5% of the 1345 total rural study areas.

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<sup>3</sup> During each year the capped NACPL typically adjusts upward because of quarterly data submission by cost companies as permitted by section 36.612 of the Commission's rules. Increases in the NACPL have the effect of reducing payments to all companies, including average schedule companies for all months of the year, compared to payments that would be received if no cap were in effect.

## **B. Procedural Aspects**

In preparing proposed formula revisions, NECA receives valuable assistance from the Average Schedule Task Group. This group consists of exchange carrier representatives sponsored by industry associations (*i.e.* the National Telecommunications Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies and the USTelecom). The Task Group meets several times a year, reviews the steps taken in developing proposed average schedule formulas, advises NECA regarding the development of procedures for administration of the formulas, and assists the NECA Board of Directors in evaluating final proposed formulas. Task Group participation assures average schedule companies are able to participate fully in the development of the average schedule formulas, and also have an opportunity to provide input to NECA regarding the ways in which changes in average schedule company networks can affect settlement formulas.

As it has done in the past for each proposed average schedule modification, NECA will provide a statement to each average schedule company advising it of the impacts of these modifications. This detailed notification includes a brief overview of the new formula as well as the factors contributing to changes in a company's support amount (e.g. changes in loop counts and exchange count data). These detailed, individual notifications assure average schedule companies are aware of proposed changes in the support formula and the impact on their settlements to enable them to plan accordingly. NECA also provides data based on this formula to USAC for USF administration.

## **Exhibit 1**

### **Proposed High Cost Loop Formula for 2011**

If number of USF Loops is less than 50,000, and:

If Loops per Exchange is less than 700, then:

$$\text{Cost per Loop} = \$898.565665 - \$0.482003 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 700 but less than 3,000, then:

$$\text{Cost per Loop} = \$606.196342 - \$0.064332 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 3,000 but less than 8,000, then:

$$\text{Cost per Loop} = \$436.517284 - \$0.007773 \times \text{Loops per Exchange}$$

If number of USF loops is greater than or equal to 50,000 or if Loops per Exchange is greater than or equal to 8,000, then:

$$\text{Cost per Loop} = \$374.34$$

### **C. Data Used to Develop the Proposed Formula**

This section describes the data underlying the proposed HCL formula. Data comes from three sources:

1. USF data submitted by the population of Subset 3 study areas settling on a cost basis.
2. Financial accounts and loop data from a sample of average schedule study areas.
3. Access line and exchange count data from the entire population of average schedule study areas.

Subset 3 cost study areas provided categorized account data used to compute cost categorization factors. These data were collected in connection with the 2009 annual USF Data Submission and are available on the diskettes included with that submission.<sup>4</sup>

Account data and loop information were collected from the average schedule study areas sampled in 2008 and 2009. The 2008 sample provided 2007 financial accounts and loop information for 2008. The 2009 sample provided 2008 financial accounts and loop information for 2009. These data were used to determine Universal Service Fund (USF) loop cost values for each company, as described in the next section.

Loop data and access line counts from the sample were used to calculate a loop count value for each sample average schedule company. In the annual collection of data from sample study areas, NECA collects the following loop information to supplement access line counts: company official lines, off-premise extensions and special access lines. NECA determined the count of USF loops for each sample study area by adding access lines, company official lines and off-premises extensions bridged in the central office.

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<sup>4</sup> See, 2009 NECA Universal Service Fund Submission of 2008 Study Results, National Exchange Carrier Association, Inc. (filed Sept. 30, 2009) (NECA 2009 USF Data Submission).

A loops-per-access line ratio was calculated by dividing sample total USF loops by sample total access lines. Totals used in this calculation were weighted using sample weights. Sample weights are used to expand the sample to a population estimate. A study area's sample weight is the reciprocal of the probability of it being included in the sample. The sample weight measures the count of units in the population a member of the sample represents. For example, a study area with a sample weight of three represents three study areas in the average schedule population. An unbiased estimate of the population is achieved by weighting access line data in this manner. This means an estimate developed by this method is expected to neither overestimate nor underestimate the loops-per-access line ratio.

$$2011 \text{ Fund Loops per Access Line Ratio} = 1.016765$$

Account and loop data from the sample were projected to December 2009 using account level and access line growth rates developed in NECA's 2009 study and filed in the 2010 NECA Modification of Average Schedules<sup>5</sup>.

Access line<sup>6</sup> data and exchange counts for the population of average schedule study areas were taken from NECA's settlement system for the month of December 2009 based on the June 2010 view. For the purpose of evaluating the proposed formula on each member of the average

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<sup>5</sup> See, National Exchange Carrier Association, Inc.'s 2010 Modification of Average Schedule Formulas, WC Docket No. 09-221 (filed Dec. 23, 2009).

<sup>6</sup> Average schedule companies report access line counts to NECA each month based on their billing of End User Common Line (EUCL) charges associated with basic local exchange service. NECA uses the reported December line counts to calculate USF loops for these companies. Loop counts based on these line counts are included in the annual USF data submission filed on October 1<sup>st</sup> of each year.

schedule population, USF loop counts were calculated for each study area using the loops per access line ratio.

$$USF\ Loops = Access\ Lines \times Loops\ per\ Access\ Line\ Ratio$$

USF loops and exchange counts for each average schedule study area are displayed in Appendix C.

#### **D. HCL Cost per Loop formula**

This section describes the derivation of the average schedule HCL Cost per Loop formula by:

- Computing categorization factors from Subset 3 cost company data;
- Determining loop costs for a sample of average schedule study areas using these factors; and
- Using sample companies' actual loop cost data to derive a statistical regression model.

These steps are explained in the following three subsections.

##### **1. Calculation of Categorization Factors from Subset 3 Cost Companies**

Cost companies submit categorized data to NECA pursuant to section 36.611 of the Commission's rules<sup>7</sup>. This data was used to compute average USF loop cost categorization factors. Loop cost categorization factors are the cost company fractions of accounts attributed to loop. They were developed from accounts related to Exchange

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<sup>7</sup> Data was taken from the USF Data submission filed with the Commission on Sept. 30, 2009. See, *NECA 2009 USF Data Submission*.

Line Cable and Wire (C&WF) Facilities (Category 1) and Exchange Line Central Office Circuit equipment (Category 4.13).

For example, by computing the ratio of cost company Central Office Equipment (COE) 4.13 investment to total cost company COE investment, NECA developed average categorization factors for Category 4.13 investment. Loop cost categorization factors were developed for each of NECA's six geographical regions, to recognize categorization differences in circuit equipment and cable and wire facilities across regions.

Exhibit 2 summarizes how these categorization factors were computed from cost company data, and how they were used to allocate average schedule company data. The first column names the Algorithm line corresponding to instructions in Tab 3 of NECA's Universal Service Fund (USF) 2009 Submission of 2008 Study Results<sup>8</sup>. Algorithm lines AL3, AL4, AL5 and AL6 are categorization factors defined in the USF submission to apportion unseparated cost accounts to loop. Algorithm lines 13 through 24 are the various cost components of loop cost. Line 25 is the total unseparated loop cost. Line 26 is the cost per loop. Loop cost components are named in the second column in Exhibit 2. The third column is a description of each algorithm line and the last column presents cost categorization formulas used to calculate the value for each sample average schedule company.

Algorithm Lines 23 and 24 in Exhibit 2 use Adjustment Ratios to allocate Total Accumulated Depreciation to C&W Facilities and COE Transmission. This is done to ensure the amount of reserves assigned to loop is in proportion to the amount of

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<sup>8</sup> *Id.*

investment assigned to loop. The adjustment ratio is calculated as follows:

$$\text{Adjustment Ratio} = \frac{\text{Proportion Of Reserves Allocated To Loop}}{\text{Proportion Of Investment Allocated To Loop}}$$

For example, an adjustment ratio of 0.9672 for Cable & Wire Facilities means the portion of reserves allocated to Loop is 96.72% of the portion of Cable & Wire Facilities investment allocated to Loop. Exhibit 3 describes the derivation of these ratios.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

| Algorithm Line | Loop Cost Component | Factor Description                                                                                                                        | Cost Allocation Formula                                                        |
|----------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| AL3            |                     | Factor A: C&WF Cat. 1/Total C&WF                                                                                                          | Average ratio by region based on cost company data                             |
| AL4            |                     | Factor B: COE Cat. 4.13/Total COE                                                                                                         | Average ratio by region based on cost company data                             |
| AL5            |                     | Factor C (C&WF Gross Allocator): C&WF Cat. 1/Total Plant in Service                                                                       | Average ratio by region based on cost company data                             |
| AL6            |                     | Factor D (COE Gross Allocator): COE Cat. 4.13/Total Plant in Service                                                                      | Average ratio by region based on cost company data                             |
| AL13           | C&WF Maintenance    | C&WF Maintenance Expense assigned to Cat. 1<br><br>C&WF R&B Factor = <u>C&amp;WF R&amp;B Exp.</u><br><u>C&amp;WF Expense</u> <sup>9</sup> | Factor A x (1 - C&WF R&B Factor)<br><br>x <u>C&amp;WF Expense</u> <sup>9</sup> |
| AL14           | COE Maintenance     | COE Maintenance Expense assigned to Cat. 4.13<br><br>COE R&B Factor = <u>COE R&amp;B Exp.</u><br><u>COE Expense</u>                       | Factor B x (1 - COE R&B Factor) x <u>COE Expense</u>                           |

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<sup>9</sup> Amounts underlined are data or calculated values of sample average schedule study areas. Other values are cost company factors.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

| Algorithm Line | Loop Cost Component                      | Factor Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Cost Allocation Formula                                                                                                                                                                                                                                                                     |
|----------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AL15           | Network and General Support Expense      | <p>Network Support Expense plus General Support Expense assigned to C&amp;WF Cat. 1 and to COE Cat. 4.13</p> <p>Net. Spt. R&amp;B Factor =<br/> <math display="block">\frac{\text{Network Spt. R&amp;B Exp.}}{\text{Network Support Expense}}</math></p> <p>Gen. Spt. R&amp;B Factor =<br/> <math display="block">\frac{\text{General Spt. R&amp;B Exp.}}{\text{General Support Expense}}</math></p>                                                                                  | $(\text{Factor A} + \text{Factor B})$ $\times [(1 - \text{Network Support R&B Factor})$ $\times \underline{\text{Network Support Expense}}$ $+ (1 - \text{General Support R&B Factor})$ $\times \underline{\text{General Support Expense}}]$                                                |
| AL16           | Network Operations Expense               | <p>Network Operations Expense assigned to C&amp;WF Cat. 1 and to COE Category 4.13</p> <p>Ntwk. Oper. R&amp;B Factor =<br/> <math display="block">\frac{\text{Ntwk. Oper. R&amp;B Exp.}}{\text{Ntwk. Oper. Expense}}</math></p>                                                                                                                                                                                                                                                       | $(\text{Factor A} + \text{Factor B})$ $\times (1 - \text{Network Operations R&B Factor})$ $\times \underline{\text{Network Operations Expense}}$                                                                                                                                            |
| AL17           | C&WF Depreciation & Amortization Expense | <p>Depreciation &amp; Amortization Expense assigned to C&amp;WF Category 1</p> <p>Dep. Exp. C&amp;WF Factor =<br/> <math display="block">\frac{\text{Dep. &amp; Amort. Exp. CWF}}{\text{C&amp;WF}}</math></p> <p>Tangibles -- C&amp;WF =<br/> <math display="block">\frac{\text{Amort. Tangible Assets -- C&amp;WF}}{\text{Amort. Tangible Assets}}</math></p> <p>Depreciation--Tang. Factor =<br/> <math display="block">(\text{Deprec. -- Tangibles}) / \text{Tangibles}</math></p> | <p>Factor A</p> $\times [(\text{Depreciation Expense Factor -- C&WF} \times$ $\underline{\text{C&WF}})$ $+ (\text{Depreciation Expense Factor -- Tangibles} \times$ $\underline{\text{Tangibles}}) + (\text{Tangibles Factor -- C&WF} \times$ $\underline{\text{Amort. Tangible Assets}})]$ |

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

| Algorithm Line | Loop Cost Component                     | Factor Description                                                                                                                                                                                                                                                                                                                                                                                   | Cost Allocation Formula                                                                                                                                                                                                                                                                                       |
|----------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AL18           | COE Depreciation & Amortization Expense | <p>Depreciation &amp; Amortization Expense assigned to COE Category 4.13</p> <p>Dep. Exp. COE Factor = <math>\frac{\text{Dep. &amp; Amort. Exp. COE}}{\text{COE}}</math></p> <p>Tangibles -- COE = <math>\frac{\text{Amort. Tangible Assets -- COE}}{\text{Amort. Tangible Assets}}</math></p> <p>Depreciation--Tang. Factor = <math>\frac{\text{Deprec. -- Tangibles}}{\text{Tangibles}}</math></p> | <p>Factor B</p> <p><math>x [(\text{Depreciation Expense Factor--COE} \times \underline{\text{COE}})</math></p> <p><math>+ (\text{Depreciation Expense Factor--Tangibles} \times \underline{\text{Tangibles}}) + (\text{Tangibles Factor -- COE} \times \underline{\text{Amort. Tangible Assets}})]</math></p> |
| AL19           | Corporate Operations Expense            | Corporate Operations Expense assigned to C&WF Cat. 1 and to COE Cat. 4.13, limited as per §36.621(a)(4) <sup>10</sup>                                                                                                                                                                                                                                                                                | (Factor C + Factor D)<br>$\times \underline{\text{Corporate Operations Expense}}$                                                                                                                                                                                                                             |

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<sup>10</sup> For purposes of the USF Data Submission, Corporate Operations Expenses were subject to the cap imposed by the Commission in its Order on Reconsideration adopted July 10, 1997. See, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order on Reconsideration, 12 FCC Rcd 10095 (1997) at ¶¶ 19-21. Modifications to this cap according to the RTF Order are reflected here.

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

| Algorithm Line | Loop Cost Component | Factor Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Cost Allocation Formula                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AL20           | Operating Taxes     | <p>Operating Taxes assigned to C&amp;WF Cat. 1 and to COE Cat. 4.13</p> <p>Operating Taxes Factor = <math>\frac{\text{Operating Taxes}}{\text{Total Plant in Service}}</math></p>                                                                                                                                                                                                                                                                                                                                                                                            | $(\text{Factor C} + \text{Factor D})$<br>$\times \text{Operating Taxes Factor}$<br>$\times \underline{\text{Total Plant in Service}}$                                                                                                                                                                                                                                                                                                                |
| AL21 + AL22    | Benefits & Rents    | <p>Benefits &amp; Rents other than Corporate Operations Expense assigned to C&amp;WF Cat. 1 and COE Cat. 4.13</p> <p>C&amp;WF R&amp;B Factor = <math>\frac{\text{C&amp;WF R&amp;B Expense}}{\text{C&amp;WF Expense}}</math></p> <p>COE R&amp;B Factor = <math>\frac{\text{COE R&amp;B Expense}}{\text{COE Expense}}</math></p> <p>Net. Sup. R&amp;B Factor = <math>\frac{\text{Network Sup. R&amp;B Exp.}}{\text{Network Support Expense}}</math></p> <p>Gen. Sup. R&amp;B Factor = <math>\frac{\text{General Sup. R&amp;B Exp.}}{\text{General Support Expense}}</math></p> | $(\text{Factor C} + \text{Factor D})$<br>$\times [(\text{C&WF R&B Factor} \times \underline{\text{C&WF Expenses}})$<br>$+ (\text{COE R&B Factor} \times \underline{\text{COE Expenses}})$<br>$+ (\text{Net. Sup. R&B Factor} \times \underline{\text{Net. Sup. Expenses}})$<br>$+ (\text{General Sup. R&B Factor} \times \underline{\text{General Sup. Expenses}})$<br>$+ (\text{Net. Op. R&B Factor} \times \underline{\text{Net. Op. Expenses}})]$ |

**Exhibit 2**

**Allocation Of Average Schedule Accounts To Loop Cost Categories**

| Algorithm Line | Loop Cost Component | Factor Description                                                                                                                                                                                                                                                                                               | Cost Allocation Formula                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AL23           | C&WF Return         | <p>Return Component for C&amp;WF Cat. 1</p> <p>C&amp;WF Cat. 1 Factor = <math>\frac{\text{C\&amp;WF Cat. 1}}{\text{C\&amp;WF}}</math></p> <p>Tangibles -- C&amp;WF Factor = <math>\frac{\text{Tangibles --C\&amp;WF}}{\text{Tangibles}}</math></p> <p>Accum. Dep. Adj. Ratio -- C&amp;WF<br/>(See Exhibit 3)</p> | $\{( \text{C\&WF Cat. 1 Factor} \times \underline{\text{C\&WF}} )$ $+ (\text{Tangibles Factor} -- \text{C\&WF} \times \underline{\text{Tangibles}})$ $+ (\text{Factor C} \times \underline{\text{Materials \& Supplies}})$ $- \text{Factor A} \times [(\text{Accum. Dep. Adj. Ratio} -- \text{C\&WF})$ $\times \underline{\text{Acc. Dep.}} \times \% \underline{\text{C\&WF of TPIS}})$ $+ (\text{Net N.C. D. OIT Factor} -- \text{C\&WF} \times \underline{\text{TPIS}})$ $+ (\text{Tangibles Factor} -- \text{C\&WF} \times \underline{\text{Acc. Amo.}} - \underline{\text{Tangibles}}) ] \} \times .1125$ |
| AL24           | COE Return          | <p>Return Component for COE Cat. 4.13</p> <p>COE Cat. 4.13 Factor = <math>\frac{\text{COE Cat. 4.13}}{\text{COE}}</math></p> <p>Tangibles -- COE Factor = <math>\frac{\text{Tangibles --COE}}{\text{Tangibles}}</math></p> <p>Accum. Dep. Adj Ratio -- COE.<br/>(See Exhibit 3)</p>                              | $\{( \text{COE Cat. 4.13 Factor} \times \underline{\text{COE}} )$ $+ (\text{Tangibles Factor} -- \text{COE} \times \underline{\text{Tangibles}})$ $+ (\text{Factor D} \times \underline{\text{Materials \& Supplies}})$ $- \text{Factor B} \times [(\text{Accum. Dep. Adj Ratio} -- \text{COE})$ $\times \underline{\text{Acc. Dep.}} \times \% \underline{\text{COE of TPIS}})$ $+ (\text{Net N.C. Def. OIT Factor} -- \text{COE} \times \underline{\text{TPIS}})$ $+ (\text{Tangibles Factor} -- \text{COE} \times \underline{\text{Acc. Amo.}} - \underline{\text{Tangibles}}) ] \} \times .1125$           |
| AL25           | Loop Costs          | Total Unseparated Loop Cost                                                                                                                                                                                                                                                                                      | Sum of AL13 -- AL24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| AL26           | Cost Per Loop       | Study Area Cost per Loop                                                                                                                                                                                                                                                                                         | AL25 Divided by Total Loops                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

### **Exhibit 3**

#### **Adjustment Ratios For Allocation Of Total Accumulated Depreciation**

| Description                                 | Calculation                    | Factor name                   |
|---------------------------------------------|--------------------------------|-------------------------------|
| COE Transmission fraction of TPIS           | Sum DL240 / Sum DL160          | TPIS % 2230                   |
| C&W Facilities fraction of TPIS             | Sum DL255 / Sum DL160          | TPIS % 2410                   |
|                                             |                                |                               |
| COE Transmission fraction of Tot. Acc. Dep. | Sum DL270 / Sum DL190          | ACCT 3100 % 2230              |
| C&W Facilities fraction of Tot. Acc. Dep.   | Sum DL280 / Sum DL190          | ACCT 3100 % 2410              |
|                                             |                                |                               |
| Adjustment Ratio for COE Transmission.      | ACCT 3100 % 2230 / TPIS % 2230 | Accum. Dep. Adj. Ratio - COE  |
| Adjustment Ratio for C&W Facilities.        | ACCT 3100 % 2410 / TPIS % 2410 | Accum. Dep. Adj. Ratio - C&WF |

DL240 = COE Transmission (Acct 2230)

DL255 = C&WF Total (Acct 2410)

DL160 = Total Plant in Service (TPIS)

DL270 = Accumulated Depreciation - COE Transmission Equipment

DL280 = Accumulated Depreciation – Cable & Wire Facilities

DL190 = Accumulated Depreciation

Exhibit 4 displays the computed values of the loop cost categorization factors from sample cost companies, in each of NECA's six geographical regions.

**Exhibit 4**  
**Loop Cost Categorization Factors from Sample Cost Companies**

| FACTOR                                      | REGION1 | REGION2 | REGION3 | REGION4 | REGION5 | REGION6 |
|---------------------------------------------|---------|---------|---------|---------|---------|---------|
| FACTOR A                                    | 0.90720 | 0.94622 | 0.91098 | 0.89578 | 0.86315 | 0.89104 |
| FACTOR B                                    | 0.29164 | 0.40299 | 0.40455 | 0.43541 | 0.37329 | 0.35632 |
| FACTOR C                                    | 0.45257 | 0.53139 | 0.48165 | 0.52367 | 0.45947 | 0.47965 |
| FACTOR D                                    | 0.09822 | 0.12199 | 0.12744 | 0.12127 | 0.11435 | 0.11610 |
| C&WF RENTS & BENEFITS                       | 0.29797 | 0.27560 | 0.30324 | 0.29420 | 0.25008 | 0.26092 |
| COE RENTS & BENEFITS                        | 0.07739 | 0.06714 | 0.10641 | 0.09867 | 0.09118 | 0.06674 |
| TANGIBLES - C&WF                            | 0.00000 | 0.00000 | 0.00000 | 0.43209 | 0.00000 | 0.82537 |
| TANGIBLES - COE TRANSMISSION                | 0.11844 | 0.00000 | 0.00000 | 0.10521 | 0.10955 | 0.00000 |
| TANGIBLES - COE CATEGORY 4.13               | 0.00000 | 0.00000 | 0.00000 | 0.10521 | 0.09857 | 0.00000 |
| ACCUMULATED DEPRECIATION - C&WF             | 0.49148 | 0.55403 | 0.49841 | 0.56724 | 0.49704 | 0.51408 |
| ACCUMULATED DEPRECIATION - COE TRANS.       | 0.16399 | 0.19301 | 0.21920 | 0.19857 | 0.20905 | 0.22206 |
| NET NON-CURR DEF FIT-C&WF- Commercial Comp. | 0.02361 | 0.01546 | 0.01527 | 0.02373 | 0.01396 | 0.01134 |
| NET NON-CURR DEF FIT-C&WF- Coops            | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| NET NON-CURR DEF FIT-COE TRANS.- Comm Comp. | 0.00856 | 0.00796 | 0.00558 | 0.00671 | 0.00563 | 0.00846 |
| NET NON-CURR DEF FIT-COE TRANS.- Coops      | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| NETWORK SUPPORT RENTS & BENEFITS            | 0.03528 | 0.13892 | 0.12545 | 0.11797 | 0.22193 | 0.29219 |
| GENERAL SUPPORT RENTS & BENEFITS            | 0.18241 | 0.15704 | 0.23997 | 0.19706 | 0.29129 | 0.20016 |
| NETWORK OPERATIONS BENEFITS                 | 0.15988 | 0.20388 | 0.21089 | 0.22579 | 0.24979 | 0.19567 |
| DEPRECIATION EXPENSE - C&WF                 | 0.04151 | 0.04764 | 0.04571 | 0.05021 | 0.04439 | 0.04595 |
| DEPRECIATION EXPENSE -COE TRANSMISSION      | 0.06944 | 0.08929 | 0.07790 | 0.07804 | 0.07241 | 0.08220 |
| DEPRECIATION - TANGIBLES                    | 0.00000 | 0.00000 | 0.00000 | 0.09250 | 0.00000 | 0.00016 |
| ACCUM. DEP. ADJ. RATIO - COE                | 0.89884 | 0.99838 | 1.09072 | 1.04153 | 1.09082 | 1.02952 |
| ACCUM. DEP. ADJ. RATIO - C&WF               | 0.96722 | 0.96069 | 0.91031 | 0.94409 | 0.90556 | 0.92609 |
| OPERATING INCOME TAX - Cooperatives         | 0.00426 | 0.00392 | 0.00664 | 0.00730 | 0.00645 | 0.00564 |
| OPERATING INCOME TAX-Commercial Companies   | 0.01372 | 0.02891 | 0.02135 | 0.02367 | 0.01706 | 0.01942 |

## **2. Calculation of Loop Cost for Sample Average Schedule Companies**

NECA calculated loop costs for sample average schedule companies consistent with the Part 36 rules applying to cost companies. Accordingly, for each average schedule study area in the sample, the loop cost is the accumulation of components of accounts assigned to loop. Costs assigned to the loop include Cable & Wire Facilities investment in Category 1, COE investment in Category 4.13 and other accounts assigned proportionately based on these accounts. Portions of costs in accounts assigned to loop were determined using the allocation ratios derived from cost companies.

NECA applied the cost categorization factors shown in Exhibit 4 to uncategorized accounts from sample average schedule study areas to produce unseparated average schedule category-level loop costs. Section 36.621 of the Commission's rules describes various unseparated accounts making up a study area's total unseparated loop costs. Following this method, the unseparated loop cost for each sample average schedule study area was determined by summing the following categories related to COE Category 4.13 and C&WF Category 1 plant, as follows.

$$\begin{aligned} \text{Loop Cost} = & \text{ Maintenance Expense} + \text{Network \& General Support Expenses} \\ & + \text{Network Operations Expense} + \text{Depreciation \& Amortization Expense} \\ & + \text{Corporate Operations Expense} + \text{Operating Taxes} + \text{Benefits Expense} \\ & + \text{Rent Expense} + \text{Return on Investment} \end{aligned}$$

Exhibit 5 presents the results of loop cost calculations for the average schedule sample.

These calculated actual cost per loop amounts, when used with the payment algorithm prescribed in section 36.631 of the Commission's rules, produce \$164.9 million in

uncapped USF expense adjustments sample companies would be entitled to receive if they were to conduct cost studies.

NECA estimated the amount of expense adjustment to which the entire population of average schedule companies would be entitled if they were to conduct the necessary cost studies, by using the sample weights described in Section C. Based on this calculation, the total uncapped expense adjustment amount payable to the entire population of average schedule companies based on cost studies would be \$204.9 million in 2011.

## Exhibit 5

### Allocation of Unseparated Total Accounts to Loop Weighted Total Data from the Average Schedule Sample

| HCL Algorithm Line | Cost Category                           | Calculation Method                        | Total Account Per Loop | Avg Loop % | Loop Cost Per Loop |
|--------------------|-----------------------------------------|-------------------------------------------|------------------------|------------|--------------------|
| 1                  | C&WF Category 1                         | Cost Company Factor                       | 2043.18                | 0.9115     | 1862.44            |
| 2                  | COE Category 4.13                       | Cost Company Factor                       | 1471.92                | 0.3586     | 527.80             |
| 3                  | Factor A                                | % C&WF Cat 1 of Total C&WF                | 2043.33                | 0.9115     | 1862.44            |
| 4                  | Factor B                                | % COE Cat 4.13 of Total COE               | 1471.92                | 0.3586     | 527.80             |
| 5                  | Factor C                                | % C&WF Cat 1 of TPIS                      | 4057.09                | 0.4591     | 1862.44            |
| 6                  | Factor D                                | % COE Cat 4.13 of TPIS                    | 4057.09                | 0.1301     | 527.80             |
| 7                  | Materials & Supplies for CWF Cat 1      | Factor C x M&S                            | 33.63                  | 0.4627     | 15.56              |
| 8                  | Materials & Supplies for COE Cat 4.13   | Factor D x M&S                            | 33.63                  | 0.1236     | 4.16               |
| 9                  | Reserves for CWF Cat 1                  | Factor A x Reserves                       | 2836.68                | 0.4248     | 1204.99            |
| 10                 | Reserves for COE Cat 4.13               | Factor B x Reserves                       | 2836.68                | 0.1448     | 410.70             |
| 11                 | Factor E                                | % Net C&WF Cat 1 of Net TPIS              | 1302.85                | 0.5166     | 673.00             |
| 12                 | Factor F                                | % Net COE Cat 4.13 of Net TPIS            | 1302.85                | 0.0931     | 121.25             |
| 13                 | Maintenance of C&WF Cat 1               | Factor A x (Maintenance - R & B)          | 70.71                  | 0.6551     | 46.32              |
| 14                 | Maintenance of COE Cat 4.13             | Factor B x (Maintenance - R & B)          | 52.25                  | 0.2989     | 15.62              |
| 15a                | Network Support Assigned to Loop        | (Fact C + Fact D) x (Net Sup Exp - R&B)   | 3.62                   | 0.4444     | 1.61               |
| 15b                | General Support Assigned to Loop        | (Fact C + Fact D) x (Gen Sup Exp - R&B)   | 35.56                  | 0.4664     | 16.59              |
| 16                 | Network Operations Assigned to Loop     | (Fact C + Fact D) x (Net Ops Exp - R&B)   | 56.96                  | 0.4799     | 27.33              |
| 17                 | Depreciation of C&WF Cat 1              | C&WF Cat 1 x C&WF Deprec Rate             | 1862.44                | 0.0453     | 84.32              |
| 18                 | Depreciation of COE Cat 4.13            | COE Cat 4.13 x COE Deprec Rate            | 527.8                  | 0.0741     | 39.12              |
| 19                 | Corporate Oper. Exp. Assigned to Loop   | (Fact C + Fact D) * Corp. Oper. Exp.      | 155.03                 | 0.5252     | 81.42              |
| 20                 | Operating Taxes Assigned to Loop        | (Factor C + Factor D) x Oper Taxes        | 62.12                  | 0.5900     | 36.65              |
| 21                 | Benefits in Oper. Exp. Assigned to Loop | (Fact C + Fact D) x (Benefits - Corp Ops) | 162.15                 | 0.1806     | 29.28              |
| 22                 | Rents in Oper Exp Assigned to Loop      | (Fact C + Fact D) x (Rents - Corp Ops)    | 162.15                 | 0.0437     | 7.08               |
| 23                 | Return on C&WF Cat 1                    | .1125 x Net CWF Cat 1                     | 673                    | 0.1125     | 75.71              |
| 24                 | Return on COE Cat 4.13                  | .1125 x Net COE Cat 4.13                  | 121.25                 | 0.1125     | 13.64              |
| 25                 | Total Loop Cost                         | Sum 13 Thru 24                            | 3945.04                | 0.1203     | 474.70             |

### **3. Cost per Loop Formula for 2011**

This study develops a formula simulating the cost per loop data of sample companies, which is used to compute loop costs as the basis of expense adjustments for all average schedule companies. The underlying basis of the formula is the comparison of cost per loop data obtained from average schedule sample companies to their ratios of loops per exchange. Based on the relationship of these variables, a mathematical model is developed and is used to compute HCL cost per loop for each member of the total population of average schedule companies.

NECA used the actual cost per loop data of sample average schedule study areas to derive a statistical regression model. This model form was first presented in the 2002 NECA Modification of Average Schedule Universal Service Formulas, filed on October 1, 2001, and approved by the Commission in its July 30, 2002 Order<sup>11</sup>. The model relating cost per loop to loops per exchange in this year's study produces statistically significant coefficients. NECA proposes use of this model in 2011.

In Appendix B of this filing NECA presents actual HCL cost per loop (CPL) data for sample average schedule study areas. This section explains the use of that data to develop a statistical model for calculating CPL values for each study area in the average schedule population.

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<sup>11</sup> See, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *National Exchange Carrier Association, Inc. Proposed 2002 Modification of Average Schedule Formulas*, Order, 17 FCC Rcd 14236 (2002).

This model uses the outlier accommodation method for regression, first introduced in NECA's December 31, 1998 average schedule filing<sup>12</sup> and approved by the Commission<sup>13</sup>. The threshold used in this calculation was equal to three standard deviations of the residuals. The outlier accommodation method uses weighted linear regression, with regression weights defined in two steps. First residuals and DFFITS values for each observation are determined by an unweighted linear regression. Then regression weights are calculated using these values.

If  $\text{Abs}(\text{residual}) \leq \text{threshold}$ , then regression weight<sub>i</sub>=1

$$\text{Else regression weight}_i = \left( \frac{C/2}{DFFITS_i} \right)^2, \text{ where } C = 2\sqrt{\frac{P+1}{N-P-1}}$$

P = number of model coefficients, N = number of observations

The model relates the CPL variable (the dependent variable) to the loops per exchange variable using constrained linear regression. The model reflects the CPL trend of sample companies, which show relatively higher costs associated with lower values of loops per exchange. This trend decreases at one rate for the smallest study areas, then decreases at slower rates for each of two groups of midsize average schedule study areas, and finally levels off for the larger study areas.

Breakpoints and levels of the straight line components of the formula were chosen because they best fit the cost per loop data. NECA designed formula breakpoints to

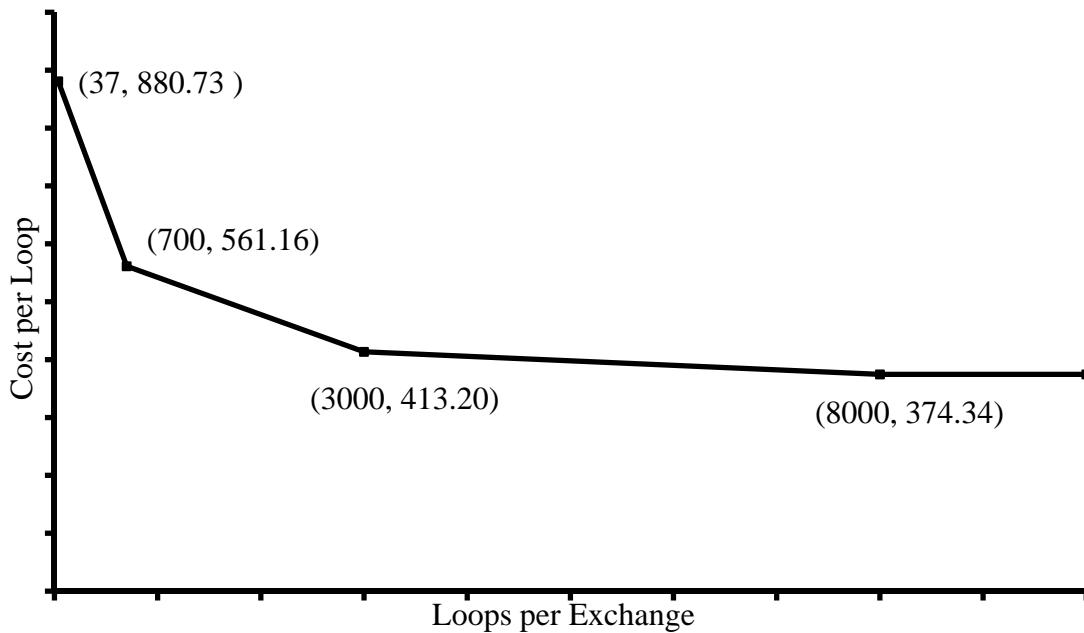
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<sup>12</sup> See, 1999 NECA Modifications of Average Schedules, National Exchange Carrier Association, Inc. (filed Dec. 31, 1998).

<sup>13</sup> See, National Exchange Carrier Association, Inc., Proposed Modifications to the 1999-2000 Interstate Average Schedule Formulas, ASD 99-18, Order, 14 FCC Rcd 9803 (1999).

assure support amounts would be accurately distributed across study areas in all size ranges. The resulting Cost per Loop model consists of four straight lines connected at loops per exchange breakpoints of 700, 3000 and 8000. NECA tested sets of breakpoints and regression coefficients iteratively to determine the combination with the best fit to the data.

**Exhibit 6**  
**Cost Per Loop Model**



To fit the Cost per Loop formula to sample company data, NECA first calculated the overall average CPL of study areas with more than 50,000 USF Loops, or with loops per exchange exceeding 8000, using the standard weighted ratio estimation method. This method produced a formula Cost per Loop for this group of study areas of \$374.34. This CPL is a good statistical representation of the data for these study areas, which show a consistently flat trend as relates to loops per exchange.

$$Cost\ Per\ Loop = \frac{\sum_{ECs > (8000\ LPE\ or\ 50000\ Loops)} Sample\ Weight_i \cdot Outlier\ Weight_i \cdot Cost\ Per\ Loop_i \cdot Loops_i}{\sum_{ECs > (8000\ LPE\ or\ 50000\ Loops)} Sample\ Weight_i \cdot Outlier\ Weight_i \cdot Loops_i}$$

Next, NECA used linear regression to solve for other parameters of the model. The regression model is a sequence of four connected straight lines specified as follows (CPL designates the study area's cost per loop; LPE designates each study area's loops per exchange, and BP designates breakpoint).

$$CPL_i = [a_1 + b_1 LPE_i]\delta_{1i} + [a_2 + b_2 LPE_i]\delta_{2i} + [a_3 + b_3 LPE_i]\delta_{3i} + a_4 \delta_{4i}$$

where:  $\delta_{1i} = 1$ , if ( $LPE_i \leq BP_1$ , and loops  $< 50,000$ ), and  $\delta_{1i} = 0$  otherwise.

$\delta_{2i} = 1$ , if ( $BP_1 < LPE_i \leq BP_2$ , and loops  $< 50,000$ ), and  $\delta_{2i} = 0$  otherwise.

$\delta_{3i} = 1$ , if ( $BP_2 < LPE_i \leq BP_3$ , and loops  $< 50,000$ ) and  $\delta_{3i} = 0$  otherwise.

$\delta_{4i} = 1$ , if ( $BP_3 > LPE_i$ , or loops  $\geq 50,000$ ) and  $\delta_{4i} = 0$  otherwise.

The model is constrained at the breakpoints,  $BP_1$ ,  $BP_2$  and  $BP_3$ , so that:

$$a_1 + b_1 \cdot BP_1 = a_2 + b_2 \cdot BP_1$$

$$a_2 + b_2 \cdot BP_2 = a_3 + b_3 \cdot BP_2$$

$$a_3 + b_3 \cdot BP_3 = a_4 = \$337.64$$

The resulting model is derived using standard linear regression methods, including outlier weighting as described earlier in this section. This model fits the CPL data most accurately, and reflects relationships between loop cost and loops per exchange. The resulting Cost per Loop model is shown in Exhibit 1.

This model produces high cost loop payments uniformly higher than the current formula.

#### **E. HCL Payments for the Population of Average Schedule companies**

In 2011, actual HCL payments will be determined using each company's CPL value, the expense adjustment algorithm, and the NACPL value adjusted according to the Commission's rules to cap the total fund size. Following is a discussion of the effects of these calculations.

According to the Commission's rule 36.631 NECA calculates expense adjustments two ways, first using the uncapped NACPL defined to be \$240.00, and second using the "capped" NACPL estimated to be \$458.98 at the time of this filing<sup>14</sup>.

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<sup>14</sup> This is NECA's initial estimate of the capped NACPL for 2011, based on data reported to date.

Although average schedule companies would receive \$210.5 million using the proposed formula with the uncapped payment calculation, the capping of the fund is expected to limit this payment to \$23.4 million. Furthermore, while the cost per loop for most average schedule companies will increase pursuant to the proposed formula, 145 study areas will realize payment reductions, mostly due to the projected increase in the capped NACPL. Average schedule companies actually receiving payments in 2011 are those with loops per exchange less than 1219, according to NECA's current view of the capped NACPL. Because the current capped NACPL does not yet reflect quarterly updates to cost data submissions to be filed after October 1 of this year, the capped NACPL can be expected to increase, further reducing average schedule payments compared to levels stated above.

#### **F. Effects of Changes on Average Schedule Companies**

This section provides a summary comparison of proposed payments of \$23.4 million and current payments of \$19.6 million, categorized by line size group and by percent change.

Exhibit 7 summarizes the monthly changes in payments by study area size.

#### **Exhibit 7**

#### **Proposed Monthly HCL Payment Changes By Loop Size**

| Access Line Size Group | Count of Study Areas | 2010 USF Payments (current) | 2011 Proposed Payment (Fund Cap Applied) | Monthly Change per Loop | Percent Difference |
|------------------------|----------------------|-----------------------------|------------------------------------------|-------------------------|--------------------|
| 0 TO 500               | 73                   | \$146,320                   | \$240,641                                | \$4.58                  | 64.46              |
| 500 TO 1000            | 91                   | \$272,239                   | \$362,462                                | \$1.34                  | 33.14              |
| 1000 TO 2500           | 130                  | \$586,968                   | \$782,524                                | \$0.95                  | 33.32              |
| 2500 TO 5000           | 50                   | \$284,272                   | \$296,581                                | \$0.07                  | 4.33               |
| 5000 TO 10000          | 38                   | \$304,190                   | \$263,926                                | -\$0.16                 | -13.24             |
| 10000 TO 20000         | 13                   | \$9,648                     | \$0                                      | -\$0.06                 | -100.00            |
| OVER 20000             | 15                   | \$30,297                    | \$0                                      | -\$0.04                 | -100.00            |

Exhibit 8 summarizes the monthly changes in expense adjustments by percent change bands.

### **Exhibit 8**

#### **Proposed Monthly HCL Payment Changes By Per Cent Change Bands**

| Percent Change Group | Count of Study Areas | 2010 USF Payments (current) | 2011 Proposed Payment (Fund Cap Applied) | Monthly Change per Loop |
|----------------------|----------------------|-----------------------------|------------------------------------------|-------------------------|
| -100% TO -90%        | 55                   | \$139,643                   | \$1,039                                  | -\$0.77                 |
| -90% TO -80%         | 5                    | \$29,275                    | \$3,626                                  | -\$1.09                 |
| -80% TO -70%         | 7                    | \$17,691                    | \$4,540                                  | -\$1.08                 |
| -70% TO -60%         | 4                    | \$14,837                    | \$5,126                                  | -\$1.01                 |
| -60% TO -50%         | 12                   | \$50,671                    | \$22,331                                 | -\$0.90                 |
| -50% TO -40%         | 14                   | \$58,922                    | \$32,692                                 | -\$0.84                 |
| -40% TO -30%         | 26                   | \$114,747                   | \$75,030                                 | -\$0.74                 |
| -30% TO -20%         | 15                   | \$73,207                    | \$53,602                                 | -\$0.63                 |
| -20% TO -10%         | 2                    | \$8,402                     | \$7,176                                  | -\$0.36                 |
| -10% TO -5%          | 2                    | \$6,725                     | \$6,175                                  | -\$0.20                 |
| -5% TO -2%           | 2                    | \$3,098                     | \$3,026                                  | -\$0.05                 |
| -2% TO 0%            | 1                    | \$8,348                     | \$8,226                                  | -\$0.04                 |
| 0% TO 2%             | 76                   | \$0                         | \$0                                      | \$0.00                  |
| 2% TO 5%             | 2                    | \$13,664                    | \$14,166                                 | \$0.09                  |
| 5% TO 10%            | 1                    | \$1,799                     | \$1,924                                  | \$0.19                  |
| 10% TO 20%           | 5                    | \$12,870                    | \$14,798                                 | \$0.45                  |
| 20% TO 30%           | 12                   | \$95,098                    | \$119,968                                | \$0.92                  |
| 30% TO 40%           | 12                   | \$58,623                    | \$79,063                                 | \$1.40                  |
| 40% TO 50%           | 36                   | \$158,581                   | \$231,600                                | \$2.34                  |
| 50% TO 60%           | 27                   | \$187,634                   | \$287,953                                | \$3.19                  |
| 60% TO 70%           | 50                   | \$419,252                   | \$693,515                                | \$4.87                  |
| 70% TO 80%           | 34                   | \$151,762                   | \$262,963                                | \$6.39                  |
| 80% TO 90%           | 8                    | \$6,808                     | \$12,452                                 | \$8.31                  |
| 100% TO 200%         | 2                    | \$2,277                     | \$5,143                                  | \$7.94                  |

## **G. Conclusion**

The proposed HCL formula shown in Exhibit 1 herein conforms to FCC USF reporting rules, produces payments consistent with those experienced by similarly situated cost companies as required by the Commission's Part 69 rules, and yields reasonable changes in payments to average schedule companies. The Commission should approve this formula to go into effect on January 1, 2011.

Appendix A  
2010 Average Schedule USF Study  
Study Area Code / Study Area Name

| Obs | Study Area Code | Study Area Name                               |
|-----|-----------------|-----------------------------------------------|
| 1   | 100005          | COBOSSEECONTEE TEL. CO.                       |
| 2   | 100015          | COMMUNITY SERVICE TEL. CO.                    |
| 3   | 100019          | OXFORD COUNTY TEL. & TELE. CO.                |
| 4   | 100020          | PINE TREE TEL. & TELE. CO.                    |
| 5   | 100022          | SACO RIVER TEL. & TELE. CO.                   |
| 6   | 120042          | DIXVILLE TEL. CO.                             |
| 7   | 120043          | DUNBARTON TEL. CO.                            |
| 8   | 140053          | FRANKLIN TEL. CO.-VT                          |
| 9   | 140064          | SHOREHAM TEL. CO., INC.                       |
| 10  | 150076          | CASSADAGA TEL. CORP.                          |
| 11  | 150125          | STATE TEL. CO.                                |
| 12  | 170145          | BENTLEYVILLE COMM CORP dba THE BENTLEYVILLE   |
| 13  | 170151          | WINDSTREAM BUFFALO VALLEY, INC.               |
| 14  | 170156          | CITIZENS TEL. CO. OF KECKSBURG                |
| 15  | 170161          | COMMONWEALTH TELEPHONE COMPANY                |
| 16  | 170162          | WINDSTREAM CONESTOGA, INC.                    |
| 17  | 170165          | WINDSTREAM D&E, INC.                          |
| 18  | 170171          | HICKORY TEL. CO.                              |
| 19  | 170175          | IRONTON TEL. CO.                              |
| 20  | 170179          | LAUREL HIGHLAND TEL. CO.                      |
| 21  | 170191          | THE NORTH-EASTERN PENNSYLVANIA TELEPHONE CO.  |
| 22  | 170193          | CONSOLIDATED COMMUNICATIONS OF PA COMPANY     |
| 23  | 170195          | ARMSTRONG TEL. CO. NORTH                      |
| 24  | 170196          | PALMERTON TELEPHONE COMPANY                   |
| 25  | 170197          | PENNSYLVANIA TEL. CO.                         |
| 26  | 170200          | PYMATUNING IND. TEL. CO.                      |
| 27  | 170204          | SOUTH CANAAN TEL. CO.                         |
| 28  | 170210          | VENUS TEL. CORP.                              |
| 29  | 170215          | YUKON-WALTZ TEL. CO.                          |
| 30  | 170277          | WEST SIDE TEL. CO.-PA                         |
| 31  | 190220          | BURKE'S GARDEN TEL. CO., INC.                 |
| 32  | 190225          | CITIZENS TEL. COOP.-VA                        |
| 33  | 190226          | NTELOS, INC.                                  |
| 34  | 190237          | HIGHLAND TEL. COOP.-VA                        |
| 35  | 190238          | MGW TELEPHONE COMPANY, INC.                   |
| 36  | 190239          | NEW HOPE TELEPHONE COOPERATIVE                |
| 37  | 190243          | PEMBROKE TEL. COOP.                           |
| 38  | 190250          | SHENANDOAH TEL. CO.                           |
| 39  | 190253          | VIRGINIA TEL. CO.                             |
| 40  | 197251          | SHENANDOAH TELEPHONE COMPANY - NR             |
| 41  | 200258          | WAR ACQUISITION CORP. DBA WAR TELEPHONE CO.   |
| 42  | 220324          | VALLEY TELEPHONE CO., LLC                     |
| 43  | 220364          | WINDSTREAM GEORGIA TELEPHONE, INC.            |
| 44  | 220380          | PROGRESSIVE RURAL TEL. COOP., INC.            |
| 45  | 220387          | FRONTIER COMMUNICATIONS OF GEORGIA, LLC       |
| 46  | 220389          | TRENTON TEL. CO.                              |
| 47  | 220395          | WINDSTREAM ACCUCOMM TELECOMMUNICATIONS, INC.  |
| 48  | 230478          | ELLERBE TEL. CO.                              |
| 49  | 230491          | NORTH STATE TEL. CO.-NC dba NORTH STATE COMM. |

Appendix A  
 2010 Average Schedule USF Study  
 Study Area Code / Study Area Name

| Obs | Study Area Code | Study Area Name                              |
|-----|-----------------|----------------------------------------------|
| 50  | 230494          | PINEVILLE TEL. CO.                           |
| 51  | 230495          | RANDOLPH TEL. CO.                            |
| 52  | 230496          | RANDOLPH TEL. MEMB. CORP.                    |
| 53  | 230497          | SURRY TELEPHONE MEMBERSHIP CORPORATION       |
| 54  | 230500          | SERVICE TEL. CO.                             |
| 55  | 230501          | SKYLINE TEL. MEMB. CORP.                     |
| 56  | 230503          | SURRY TELEPHONE MEMBERSHIP CORPORATION       |
| 57  | 230505          | TRI-COUNTY TEL. MEMB. CORP.-NC               |
| 58  | 230511          | YADKIN VALLEY TEL. MEMB. CORP.               |
| 59  | 240515          | CHESNEE TEL. CO.                             |
| 60  | 240516          | CHESTER TEL. CO.-SC                          |
| 61  | 240532          | LOCKHART TEL. CO., INC.                      |
| 62  | 240535          | NORWAY TEL. CO., INC.                        |
| 63  | 240536          | PALMETTO RURAL TEL. COOP., INC.              |
| 64  | 240541          | RIDGEWAY TEL. CO., INC.                      |
| 65  | 240546          | SANDHILL TEL. COOP., INC.                    |
| 66  | 250283          | BRINDLEE MOUNTAIN TEL. CO.                   |
| 67  | 250285          | CASTLEBERRY TEL. CO., INC.                   |
| 68  | 250301          | FRONTIER COMMUNICATIONS OF LAMAR COUNTY, LLC |
| 69  | 250311          | OAKMAN TEL. CO., INC.                        |
| 70  | 250312          | OTELCO TELEPHONE LLC                         |
| 71  | 250322          | UNION SPRINGS TEL. CO.                       |
| 72  | 260396          | BALLARD RURAL TEL. COOP. CORP., INC.         |
| 73  | 260398          | BRANDENBURG TEL. CO., INC.                   |
| 74  | 260408          | GEARHEART COMM. DBA COALFIELDS TEL. CO.      |
| 75  | 260412          | LEWISPORT TEL. CO., INC.                     |
| 76  | 260414          | MOUNTAIN RURAL TEL. COOP. CORP., INC.        |
| 77  | 260417          | SALEM TEL. CO.                               |
| 78  | 260419          | THACKER/GRIGSBY TEL. CO., INC.               |
| 79  | 270428          | DELCAMBRE TEL. CO.                           |
| 80  | 280451          | DECATUR TEL. CO., INC.-MS                    |
| 81  | 280460          | FRONTIER COMM. OF MISSISSIPPI, INC.          |
| 82  | 280467          | SMITHVILLE TEL. CO.                          |
| 83  | 287449          | MYRTLE TEL. CO., INC.                        |
| 84  | 290553          | BEN LOMAND RURAL TEL. COOP., INC.            |
| 85  | 290554          | BLEDSOE TEL. COOP.                           |
| 86  | 290565          | HIGHLAND TEL. COOP., INC.-TN                 |
| 87  | 290570          | LORETTO TEL. CO., INC.                       |
| 88  | 290598          | WEST KENTUCKY RURAL TELEPHONE COOP. CORP.-TN |
| 89  | 300585          | ARCADIA TEL. CO.                             |
| 90  | 300586          | THE ARTHUR MUTUAL TEL. CO.                   |
| 91  | 300588          | AYERSVILLE TEL. CO.                          |
| 92  | 300589          | BASCOM MUTUAL TEL. CO.                       |
| 93  | 300590          | BENTON RIDGE TEL. CO.                        |
| 94  | 300591          | BUCKLAND TELEPHONE COMPANY                   |
| 95  | 300604          | COLUMBUS GROVE TEL. CO.                      |
| 96  | 300609          | DOYLESTOWN TEL. CO.                          |
| 97  | 300614          | FORT JENNINGS TEL. CO.                       |
| 98  | 300619          | GLANDORF TEL. CO., INC.                      |

Appendix A  
2010 Average Schedule USF Study  
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| Obs | Study Area Code | Study Area Name                            |
|-----|-----------------|--------------------------------------------|
| 99  | 300625          | KALIDA TEL. CO., INC.                      |
| 100 | 300633          | MIDDLE POINT HOME TEL. CO.                 |
| 101 | 300634          | MINFORD TEL. CO., INC.                     |
| 102 | 300639          | THE NEW KNOXVILLE TEL. CO.                 |
| 103 | 300645          | OAKWOOD TEL. CO.                           |
| 104 | 300650          | THE OTTOVILLE MUTUAL TEL. CO.              |
| 105 | 300651          | PATTERSONVILLE TEL. CO.-OH                 |
| 106 | 300654          | RIDGEVILLE TEL. CO.                        |
| 107 | 300656          | SHERWOOD MUTUAL TEL. ASSOC.                |
| 108 | 300659          | TELEPHONE SERVICE CO.                      |
| 109 | 300662          | VANLUE TEL. CO.                            |
| 110 | 300663          | VAUGHNSVILLE TEL. CO., INC.                |
| 111 | 300664          | WABASH MUTUAL TEL. CO.                     |
| 112 | 310669          | ALLENDALE TEL. CO.                         |
| 113 | 310675          | BARAGA TELEPHONE COMPANY                   |
| 114 | 310676          | BARRY COUNTY TEL. CO.                      |
| 115 | 310678          | BLANCHARD TELEPHONE CO.                    |
| 116 | 310688          | CLIMAX TEL. CO.                            |
| 117 | 310692          | DRENTHE TEL. CO.                           |
| 118 | 310694          | FARMERS MUT. OF CHAPIN DBA CHAPIN TEL. CO. |
| 119 | 310703          | KALEVA TEL. CO.                            |
| 120 | 310725          | SAND CREEK TEL. CO.                        |
| 121 | 310735          | WESTPHALIA TEL. CO.                        |
| 122 | 320744          | CAMDEN TEL. CO., INC.-IN                   |
| 123 | 320750          | FRONTIER COMM. OF INDIANA, INC.            |
| 124 | 320751          | CITIZENS TEL. CORP.-WARREN                 |
| 125 | 320756          | CRAIGVILLE TEL. CO., INC.                  |
| 126 | 320771          | GEETINGSVILLE TEL. CO., INC.               |
| 127 | 320777          | HOME TEL. CO. OF PITTSBORO, INC.           |
| 128 | 320778          | HOME TEL. CO., INC.                        |
| 129 | 320792          | MULBERRY COOP. TEL. CO., INC.              |
| 130 | 320796          | NEW LISBON TEL. CO., INC.                  |
| 131 | 320809          | COMM. CORP. OF SOUTHERN INDIANA            |
| 132 | 320816          | S & W TEL. CO., INC.                       |
| 133 | 320826          | SWAYZEE TEL. CO., INC.                     |
| 134 | 320827          | SWEETSER RURAL TEL. CO., INC.              |
| 135 | 320829          | TIPTON TEL. CO., INC.                      |
| 136 | 320830          | TRI-COUNTY TEL. CO., INC.-IN               |
| 137 | 320837          | WEST POINT TEL. CO., INC.                  |
| 138 | 320839          | YEOMAN TEL. CO., INC.                      |
| 139 | 330842          | AMERY TELCOM, INC.                         |
| 140 | 330843          | AMHERST TEL. CO.                           |
| 141 | 330846          | BALDWIN TELCOM., INC.                      |
| 142 | 330847          | BELMONT TEL. CO.                           |
| 143 | 330848          | BERGEN TEL. CO.                            |
| 144 | 330849          | BLACK EARTH TEL. CO.                       |
| 145 | 330851          | BONDUEL TEL. CO.                           |
| 146 | 330856          | BURLINGTON BRIGHTON & WHEATLAND TEL.       |
| 147 | 330865          | CLEAR LAKE TEL. CO., INC.-WI               |

Appendix A  
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| Obs | Study Area Code | Study Area Name                             |
|-----|-----------------|---------------------------------------------|
| 148 | 330868          | COON VALLEY FARMERS TEL. CO., INC.          |
| 149 | 330872          | CUBA CITY TEL. EXCH. CO.                    |
| 150 | 330875          | DICKEYVILLE TEL. CO.                        |
| 151 | 330879          | FARMERS IND. TEL. CO.-WI                    |
| 152 | 330880          | FARMERS TEL. CO.-WI                         |
| 153 | 330881          | MID-PLAINS TEL., INC.                       |
| 154 | 330889          | HAGER TELECOM, INC.                         |
| 155 | 330892          | HILLSBORO TEL. CO., INC.                    |
| 156 | 330896          | LAKEFIELD TEL. CO.                          |
| 157 | 330902          | LUCK TEL. CO.                               |
| 158 | 330905          | MANAWA TEL. CO.                             |
| 159 | 330914          | EASTCOAST TELECOM, INC.                     |
| 160 | 330915          | MOSINEE TELEPHONE COMPANY, LLC              |
| 161 | 330925          | BAYLAND TELEPHONE, LLC                      |
| 162 | 330930          | GRANTLAND TELECOM, INC.                     |
| 163 | 330938          | NORTHEAST TEL. CO.                          |
| 164 | 330943          | RIVERSIDE TELECOM, INC.                     |
| 165 | 330944          | FRONTIER COMM.-ST. CROIX LLC                |
| 166 | 330945          | SCANDINAVIA TEL. CO.                        |
| 167 | 330946          | SHARON TEL. CO.                             |
| 168 | 330951          | SOMERSET TEL. CO., INC.                     |
| 169 | 330955          | THE STATE LONG DISTANCE TEL. CO.            |
| 170 | 330966          | VERNON TEL. COOP.                           |
| 171 | 330967          | FRONTIER COMM. OF VIROQUA LLC               |
| 172 | 330968          | WAUNAKEE TEL. CO.                           |
| 173 | 330970          | CENTURYTEL OF MW-WI/WAYSIDE DBA CENTURYLINK |
| 174 | 340976          | ADAMS TEL. COOP.                            |
| 175 | 340983          | CAMBRIDGE TEL. CO.-IL                       |
| 176 | 340990          | CLARKSVILLE MUTUAL TEL. CO.                 |
| 177 | 340993          | CROSSVILLE TEL. CO.                         |
| 178 | 340998          | FRONTIER COMM. OF DEPUE, INC.               |
| 179 | 341016          | GENESEO TEL. CO.                            |
| 180 | 341017          | GLASFORD TEL. CO.                           |
| 181 | 341021          | THE GRANDVIEW MUTUAL TEL. CO.               |
| 182 | 341024          | HAMILTON COUNTY TELEPHONE CO-OP             |
| 183 | 341029          | HENRY COUNTY TEL. CO.                       |
| 184 | 341041          | KINSMAN MUTUAL TEL. CO.                     |
| 185 | 341046          | LEONORE MUTUAL TEL. CO.                     |
| 186 | 341050          | MARSEILLES TEL. CO. OF MARS.                |
| 187 | 341053          | METAMORA TEL. CO.                           |
| 188 | 341062          | NEW WINDSOR TEL. CO.                        |
| 189 | 341075          | REYNOLDS TEL. CO.                           |
| 190 | 341086          | TONICA TEL. CO.                             |
| 191 | 341087          | VIOLA HOME TEL. CO.                         |
| 192 | 341092          | STELLE TEL. CO.                             |
| 193 | 351097          | ANDREW TEL. CO., INC.                       |
| 194 | 351098          | ARCADIA TEL. COOP.                          |
| 195 | 351101          | ATKINS TEL. CO.                             |
| 196 | 351107          | BALDWIN-NASHVILLE TEL. CO., INC.            |

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2010 Average Schedule USF Study  
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| Obs | Study Area Code | Study Area Name                              |
|-----|-----------------|----------------------------------------------|
| 197 | 351108          | BARNES CITY COOP. TEL. CO.                   |
| 198 | 351112          | BREDA TEL. CORPORATION                       |
| 199 | 351113          | BROOKLYN MUTUAL TEL. CO.                     |
| 200 | 351114          | THE BURT TEL. CO.                            |
| 201 | 351115          | BUTLER-BREMER MUT. TEL. CO.                  |
| 202 | 351118          | CASCADE COMMUNICATIONS COMPANY               |
| 203 | 351119          | CASEY MUTUAL TEL. CO.                        |
| 204 | 351121          | CENTER JUNCTION TEL. CO., INC.               |
| 205 | 351125          | CENTRAL SCOTT TEL.                           |
| 206 | 351126          | CENTURYTEL OF CHESTER DBA CENTURYLINK        |
| 207 | 351133          | C-M-L TEL. COOP. ASSN.                       |
| 208 | 351136          | COON CREEK TEL. CO.                          |
| 209 | 351137          | COON VALLEY COOP. TEL. ASSN., INC.           |
| 210 | 351139          | COOP. TEL. CO.                               |
| 211 | 351141          | CORN BELT TEL. CO.                           |
| 212 | 351146          | CUMBERLAND TEL. CO.                          |
| 213 | 351147          | DANVILLE MUT. TEL. CO.                       |
| 214 | 351149          | FARMERS MUTUAL COOPERATIVE TEL CO (DEFIANCE) |
| 215 | 351150          | DIXON TEL. CO.                               |
| 216 | 351152          | DUMONT TEL. CO.                              |
| 217 | 351153          | DUNKERTON TEL. COOP., INC.                   |
| 218 | 351157          | ELLSWORTH COOP. TEL. ASSN.                   |
| 219 | 351160          | F&B COMMUNICATIONS, INC.                     |
| 220 | 351162          | FARMERS COOP. TEL. CO.-DYSART                |
| 221 | 351166          | FARMERS & MERCHANTS MUTUAL TEL. CO.          |
| 222 | 351168          | FARMERS MUTUAL COOP TEL CO- HARLAN           |
| 223 | 351171          | FARMERS MUTUAL TEL. CO.-JESUP                |
| 224 | 351173          | FARMERS MUTUAL TEL. COOP.-SHELLSBURG         |
| 225 | 351175          | FARMERS TEL. CO.-BATAVIA                     |
| 226 | 351176          | FARMERS TEL. CO.-ESSEX                       |
| 227 | 351177          | FARMERS TEL. CO.-RICEVILLE                   |
| 228 | 351179          | FENTON COOP. TEL. CO.                        |
| 229 | 351188          | GOLDFIELD TEL. CO.                           |
| 230 | 351189          | RIVER VALLEY TELECOMMUNICATIONS COOP.        |
| 231 | 351191          | GRAND MOUND COOP. TEL. ASSN.                 |
| 232 | 351195          | GRISWOLD COOP. TEL. CO.                      |
| 233 | 351199          | HAWKEYE TEL. CO.                             |
| 234 | 351202          | HOSPERS TEL. EXCHANGE, INC.                  |
| 235 | 351203          | HUBBARD COOP. TEL. ASSN.                     |
| 236 | 351205          | HUXLEY COMMUNICATIONS COOPERATIVE            |
| 237 | 351206          | IAMO TEL. CO.-IA                             |
| 238 | 351212          | JEFFERSON TEL. CO.-IA                        |
| 239 | 351213          | JORDAN SOLDIER VALLEY TELEPHONE COMPANY      |
| 240 | 351217          | KEYSTONE FRMS. COOP. TEL. CO.                |
| 241 | 351220          | LA PORTE CITY TEL. CO.                       |
| 242 | 351222          | LA MOTTE TEL. CO.                            |
| 243 | 351225          | LEHIGH VALLEY COOP. TEL. ASSN.               |
| 244 | 351228          | LONE ROCK COOP. TEL. CO.                     |
| 245 | 351230          | NORTHEAST IOWA TEL. CO.                      |

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| Obs | Study Area Code | Study Area Name                               |
|-----|-----------------|-----------------------------------------------|
| 246 | 351232          | LYNNVILLE TELEPHONE COMPANY                   |
| 247 | 351235          | FARMERS MUTUAL COOPERATIVE TEL CO (MANILLA)   |
| 248 | 351237          | MARNE & ELK HORN TEL. CO.                     |
| 249 | 351238          | MARTELLE COOP. TEL. ASSN.                     |
| 250 | 351239          | MASSENA TEL. CO.                              |
| 251 | 351241          | MECHANICSVILLE TEL. CO.                       |
| 252 | 351242          | MILES COOP. TEL. ASSN.                        |
| 253 | 351245          | MINBURN TEL. CO.                              |
| 254 | 351246          | MINERVA VALLEY TEL. CO., INC.                 |
| 255 | 351247          | MODERN COOP. TEL. CO.                         |
| 256 | 351248          | MONTEZUMA MUTUAL TEL. CO.                     |
| 257 | 351250          | MUTUAL TEL. CO. OF MORNING SUN                |
| 258 | 351251          | MEDIAPOLIS TEL. CO.                           |
| 259 | 351252          | MUTUAL TEL. CO.                               |
| 260 | 351257          | NORTH ENGLISH COOP. TEL. CO.                  |
| 261 | 351259          | NORTHERN IOWA TEL. CO.                        |
| 262 | 351260          | NORTHWEST IOWA TEL. CO., INC.                 |
| 263 | 351261          | NORTHWEST TEL. COOP.                          |
| 264 | 351263          | OGDEN TEL. CO.-IA                             |
| 265 | 351264          | OLIN TEL. CO., INC.                           |
| 266 | 351265          | ONSLOW COOP. TEL. ASSN.                       |
| 267 | 351266          | ORAN MUTUAL TEL. CO.                          |
| 268 | 351269          | PALO COOP. TEL. ASSN.                         |
| 269 | 351270          | PALMER MUTUAL TEL. CO.                        |
| 270 | 351271          | PANORA COMMUNICATIONS COOPERATIVE             |
| 271 | 351273          | PEOPLES TEL. CO.-IA                           |
| 272 | 351274          | CENTURYTEL OF POSTVILLE, INC. DBA CENTURYLINK |
| 273 | 351275          | PRAIRIEBURG TEL. CO., INC.                    |
| 274 | 351276          | PRESTON TEL. CO.                              |
| 275 | 351277          | RADCLIFFE TEL. CO., INC.                      |
| 276 | 351278          | READLYN TEL. CO.                              |
| 277 | 351280          | RINGSTED TEL. CO.                             |
| 278 | 351282          | ROCKWELL COOP. TEL. ASSN.                     |
| 279 | 351283          | ROYAL TEL. CO.                                |
| 280 | 351284          | RUTHVEN TEL. EXCH. CO.                        |
| 281 | 351285          | SAC COUNTY MUTUAL TEL. CO.                    |
| 282 | 351291          | SCHALLER TEL. CO.                             |
| 283 | 351292          | SEARSBORO TEL. CO.                            |
| 284 | 351293          | SHARON TEL. CO.                               |
| 285 | 351294          | SCRANTON TEL. CO.                             |
| 286 | 351298          | SOUTH SLOPE COOP. TEL. CO.                    |
| 287 | 351301          | SOUTHWEST TEL. EXCH., INC.                    |
| 288 | 351302          | SPRINGVILLE COOP. TEL. ASSN.                  |
| 289 | 351304          | SWISHER TEL. CO.                              |
| 290 | 351306          | SULLY TEL. ASSOC.                             |
| 291 | 351307          | SUPERIOR TEL. COOP.                           |
| 292 | 351308          | TEMPLETON TEL. CO.                            |
| 293 | 351309          | TERRIL TELEPHONE COOPERATIVE                  |
| 294 | 351310          | TITONKA TEL. CO.                              |

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| Obs | Study Area Code | Study Area Name                               |
|-----|-----------------|-----------------------------------------------|
| 295 | 351319          | VAN BUREN TEL. CO., INC.                      |
| 296 | 351320          | VAN HORNE COOP. TEL. CO.                      |
| 297 | 351322          | VENTURA TEL. CO., INC.                        |
| 298 | 351324          | VILLISCA FARMERS TEL. CO.                     |
| 299 | 351329          | WELLMAN COOP. TEL. ASSN.                      |
| 300 | 351331          | WEST IOWA TEL. CO.                            |
| 301 | 351334          | WESTERN IOWA TEL. ASSN.                       |
| 302 | 351335          | WESTSIDE INDP. TEL. CO.                       |
| 303 | 351336          | WILTON TEL. CO.                               |
| 304 | 351342          | WOOLSTOCK MUT. TEL. ASSN.                     |
| 305 | 351343          | WYOMING MUTUAL TEL. CO.                       |
| 306 | 351344          | PRAIRIE TEL. CO., INC.                        |
| 307 | 351405          | HILLS TEL. CO., INC.-IA                       |
| 308 | 351424          | MABEL COOP. TEL. CO.-IA                       |
| 309 | 361347          | ALBANY MUTUAL TEL. ASSN., INC.                |
| 310 | 361348          | WILDERNESS VALLEY TELEPHONE COMPANY, INC.     |
| 311 | 361353          | CITY OF BARNESVILLE TEL. CO.                  |
| 312 | 361356          | BENTON COOP. TEL. CO.                         |
| 313 | 361365          | CALLAWAY TEL. CO.                             |
| 314 | 361372          | CLEMENTS TEL. CO.                             |
| 315 | 361373          | CONSOLIDATED TEL. CO.-MN                      |
| 316 | 361375          | MID-COMMUNICATIONS, INC. dba HICKORYTECH      |
| 317 | 361381          | DUNNELL TEL. CO., INC.                        |
| 318 | 361389          | FARMERS MUTUAL TEL. CO.-BELLINGHAM            |
| 319 | 361390          | FEDERATED TEL. COOP.                          |
| 320 | 361396          | GARDONVILLE COOP. TEL. ASSN.                  |
| 321 | 361401          | HALSTAD TEL. CO.                              |
| 322 | 361403          | FEDERATED TELEPHONE COOPERATIVE               |
| 323 | 361404          | HARMONY TEL. CO.                              |
| 324 | 361405          | HILLS TEL. CO., INC.-MN                       |
| 325 | 361408          | HOME TEL. CO.-MN                              |
| 326 | 361409          | HUTCHINSON TELEPHONE COMPANY                  |
| 327 | 361413          | MID STATE TEL. CO. DBA KMP TEL. CO.           |
| 328 | 361419          | LISMORE COOPERATIVE TELEPHONE CO.             |
| 329 | 361423          | RUNESTONE TELEPHONE ASSOCIATION               |
| 330 | 361424          | MABEL COOPERATIVE TELEPHONE CO.- MN           |
| 331 | 361426          | MANCHESTER-HARTLAND TELEPHONE CO.             |
| 332 | 361427          | MANKATO CITIZENS TELEPHONE CO dba HICKORYTECH |
| 333 | 361430          | MELROSE TELEPHONE COMPANY                     |
| 334 | 361431          | MIDWEST TEL. CO.                              |
| 335 | 361439          | MINNESOTA VALLEY TEL. CO. INC.                |
| 336 | 361440          | CANNON VALLEY TELECOM, INC.                   |
| 337 | 361443          | LORETEL SYSTEMS, INC.                         |
| 338 | 361448          | OSAKIS TELEPHONE COMPANY                      |
| 339 | 361450          | PARK REGION MUTUAL TEL. CO.                   |
| 340 | 361472          | REDWOOD COUNTY TEL. CO.                       |
| 341 | 361474          | ROTHSAY TELEPHONE COMPANY INC.                |
| 342 | 361475          | RUNESTONE TEL. ASSN.                          |
| 343 | 361476          | SACRED HEART TEL. CO.                         |

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2010 Average Schedule USF Study  
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| Obs | Study Area Code | Study Area Name                               |
|-----|-----------------|-----------------------------------------------|
| 344 | 361479          | SCOTT RICE TEL. CO. dba INTEGRA TELECOM       |
| 345 | 361485          | SPRING GROVE COMMUNICATIONS                   |
| 346 | 361487          | STARBUCK TEL. CO.                             |
| 347 | 361494          | UPSALA COOPERATIVE TELEPHONE ASSN.            |
| 348 | 361495          | VALLEY TEL. CO.-MN                            |
| 349 | 361499          | CROSSLAKE TELEPHONE COMPANY                   |
| 350 | 361500          | NORTHERN TELEPHONE COMPANY OF MN              |
| 351 | 361502          | WESTERN TELEPHONE COMPANY                     |
| 352 | 361505          | WIKSTROM TELEPHONE COMPANY INC.               |
| 353 | 361507          | WINSTED TELEPHONE COMPANY                     |
| 354 | 361508          | WINTHROP TEL. CO.                             |
| 355 | 361512          | WOLVERTON TELEPHONE COMPANY                   |
| 356 | 361515          | ZUMBROTA TELEPHONE COMPANY                    |
| 357 | 361654          | INTERSTATE TELECOMMUNICATIONS COOP., INC.-MN  |
| 358 | 371530          | CONSOLIDATED TELCO, INC.                      |
| 359 | 371555          | HAMILTON TELEPHONE COMPANY                    |
| 360 | 371563          | HOOPER TELEPHONE COMPANY                      |
| 361 | 371581          | PIERCE TELEPHONE COMPANY                      |
| 362 | 371590          | SODTOWN TEL. CO.                              |
| 363 | 381509          | WOLVERTON TEL. CO.                            |
| 364 | 381601          | ABSARAKA COOP TELEPHONE CO.                   |
| 365 | 381614          | POLAR COMMUNICATIONS MUTUAL AID CORP (A)      |
| 366 | 381615          | GRIGGS COUNTY TELEPHONE COMPANY               |
| 367 | 381622          | MOORE & LIBERTY TELEPHONE COMPANY             |
| 368 | 381625          | NORTHWEST COMMUNICATIONS COOPERATIVE          |
| 369 | 381638          | MIDSTATE COMMUNICATIONS INC.                  |
| 370 | 383303          | SRT COMMUNICATIONS, INC.                      |
| 371 | 391640          | GOLDEN WEST TELECOM COOP (ARMOUR)             |
| 372 | 391642          | ALLIANCE COMMUNICATIONS COOP., INC. (BALTIC)  |
| 373 | 391649          | BERESFORD MUNICIPAL TEL. CO.                  |
| 374 | 391650          | CITY OF BROOKINGS MUNICIPAL TEL. DEPT.        |
| 375 | 391653          | CITY OF FAITH MUNICIPAL TEL CO                |
| 376 | 391660          | FORT RANDALL TEL. CO. DBA MT. RUSHMORE TEL CO |
| 377 | 391664          | JAMES VALLEY COOPERATIVE TEL CO               |
| 378 | 391669          | TRIOTEL COMMUNICATIONS, INC. (MCCOOK)         |
| 379 | 391671          | WEST RIVER TELECOMMUNICATIONS COOP.(MOBRIDGE) |
| 380 | 391677          | GOLDEN WEST TELECOM COOP (SIOUX VALLEY)       |
| 381 | 391682          | TRIOTEL COMMUNICATIONS, INC. (TRI-COUNTY)     |
| 382 | 391684          | GOLDEN WEST TELECOM COOP (UNION)              |
| 383 | 391688          | WESTERN TELEPHONE COMPANY                     |
| 384 | 401710          | MAGAZINE TELEPHONE COMPANY                    |
| 385 | 401712          | MOUNTAIN VIEW TELEPHONE COMPANY               |
| 386 | 401722          | E. RITTER TELEPHONE COMPANY                   |
| 387 | 421759          | CRAW-KAN TELEPHONE COOP INC - MO              |
| 388 | 421876          | FARBER TELEPHONE COMPANY                      |
| 389 | 421893          | CHOCTAW TELEPHONE COMPANY                     |
| 390 | 421900          | KLM TEL. CO.                                  |
| 391 | 421932          | LATHROP TELEPHONE COMPANY                     |
| 392 | 421936          | PEACE VALLEY TELEPHONE CO.                    |

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2010 Average Schedule USF Study  
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| Obs | Study Area Code | Study Area Name                           |
|-----|-----------------|-------------------------------------------|
| 393 | 421942          | ROCK PORT TEL. CO.                        |
| 394 | 431968          | BEGGS TELEPHONE COMPANY                   |
| 395 | 432141          | SANTA ROSA TELEPHONE COOP. INC.           |
| 396 | 442043          | NORTH TEXAS TELEPHONE COMPANY             |
| 397 | 442107          | LIVINGSTON TELEPHONE COMPANY              |
| 398 | 462198          | PINE DRIVE TEL. CO.                       |
| 399 | 462206          | STONEHAM COOPERATIVE TEL. CO.             |
| 400 | 462210          | WILLARD TEL. CO.                          |
| 401 | 472227          | MUD LAKE TELEPHONE COOPERATIVE ASSN. INC. |
| 402 | 482252          | RONAN TEL. CO.                            |
| 403 | 502279          | GUNNISON TEL. CO.                         |
| 404 | 502282          | MANI TELEPHONE COMPANY                    |
| 405 | 502283          | SKYLINE TELECOM                           |
| 406 | 522430          | MCDANIEL TELEPHONE COMPANY                |
| 407 | 532386          | MT. ANGEL TELEPHONE COMPANY               |
| 408 | 532396          | ST. PAUL COOP. TEL. ASSN.                 |
| 409 | 613005          | CIRCLE TELEPHONE & ELECTRIC, LLC          |
| 410 | 613026          | NORTH COUNTRY TELEPHONE COMPANY           |

**Appendix B**  
**2010 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

| Study Area Code | Actual USF Loop Count | Exchange Count | Sample Weight | Actual Cost per Loop |
|-----------------|-----------------------|----------------|---------------|----------------------|
| 100015          | 8815                  | 7              | 1.0000        | 341.39               |
| 100020          | 5811                  | 3              | 1.0000        | 362.24               |
| 140064          | 3439                  | 6              | 1.0000        | 352.59               |
| 150125          | 6928                  | 2              | 1.0000        | 289.40               |
| 170145          | 2479                  | 1              | 2.5000        | 464.35               |
| 170161          | 249206                | 79             | 1.0000        | 332.71               |
| 170162          | 45926                 | 10             | 1.0000        | 310.88               |
| 170179          | 5103                  | 2              | 1.0000        | 366.54               |
| 170193          | 52432                 | 8              | 1.0000        | 343.38               |
| 170196          | 8579                  | 4              | 1.0000        | 380.05               |
| 170200          | 2029                  | 1              | 4.4315        | 275.70               |
| 170204          | 2476                  | 2              | 1.0000        | 488.90               |
| 190219          | 3958                  | 2              | 3.0981        | 390.54               |
| 190220          | 153                   | 1              | 1.0000        | 463.65               |
| 190225          | 6895                  | 5              | 1.0000        | 590.08               |
| 190225          | 6895                  | 5              | 1.5000        | 590.08               |
| 190237          | 1309                  | 3              | 1.0000        | 514.33               |
| 190238          | 1502                  | 5              | 1.0000        | 1042.49              |
| 190250          | 23332                 | 9              | 1.0000        | 402.76               |
| 190250          | 23332                 | 9              | 1.0000        | 402.76               |
| 190253          | 1985                  | 1              | 1.0000        | 529.10               |
| 200258          | 1309                  | 1              | 1.0000        | 524.61               |
| 220375          | 6720                  | 3              | 1.0000        | 676.57               |
| 220380          | 4977                  | 6              | 2.5000        | 567.81               |
| 220387          | 16021                 | 2              | 1.0000        | 342.72               |
| 220387          | 16021                 | 2              | 1.0000        | 342.72               |
| 230495          | 3951                  | 1              | 1.0000        | 514.57               |
| 230497          | 2719                  | 2              | 1.0000        | 541.24               |
| 230503          | 13288                 | 6              | 1.0000        | 472.46               |
| 230511          | 26762                 | 10             | 1.0000        | 501.77               |
| 240516          | 13744                 | 3              | 1.0000        | 537.75               |
| 240535          | 696                   | 1              | 7.7786        | 657.18               |
| 240536          | 12380                 | 6              | 1.0000        | 876.53               |
| 240546          | 14667                 | 7              | 1.0000        | 450.18               |
| 250283          | 10014                 | 3              | 1.0000        | 342.52               |
| 250285          | 880                   | 1              | 1.0000        | 766.21               |
| 250301          | 1927                  | 2              | 1.0000        | 511.10               |
| 250301          | 1927                  | 2              | 2.7803        | 511.10               |
| 250312          | 6709                  | 1              | 1.0000        | 301.77               |
| 250322          | 3959                  | 4              | 1.0000        | 834.15               |
| 260396          | 5421                  | 7              | 2.5000        | 502.40               |
| 260398          | 22305                 | 8              | 1.0000        | 341.28               |
| 260408          | 5941                  | 3              | 1.0000        | 528.32               |
| 260412          | 1207                  | 1              | 3.7876        | 494.66               |
| 260419          | 7115                  | 6              | 1.0000        | 452.94               |
| 280460          | 5127                  | 4              | 2.5000        | 414.04               |

**Appendix B**  
**2010 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

| Study Area Code | Actual USF Loop Count | Exchange Count | Sample Weight | Actual Cost per Loop |
|-----------------|-----------------------|----------------|---------------|----------------------|
| 290553          | 31183                 | 17             | 1.0000        | 593.39               |
| 290554          | 11352                 | 5              | 1.0000        | 703.61               |
| 290570          | 5138                  | 5              | 1.0000        | 626.86               |
| 300586          | 1127                  | 1              | 6.3289        | 322.36               |
| 300588          | 975                   | 1              | 1.0000        | 638.86               |
| 300589          | 654                   | 1              | 1.5000        | 1479.32              |
| 300590          | 1024                  | 3              | 1.0000        | 642.48               |
| 300614          | 747                   | 1              | 6.9802        | 633.96               |
| 300619          | 1062                  | 1              | 4.9973        | 507.14               |
| 300633          | 577                   | 1              | 1.0000        | 633.70               |
| 300650          | 1307                  | 2              | 4.4213        | 329.62               |
| 300651          | 366                   | 1              | 1.5000        | 323.45               |
| 300659          | 7572                  | 2              | 1.0000        | 496.83               |
| 310669          | 4335                  | 1              | 1.0000        | 554.97               |
| 310735          | 958                   | 1              | 1.0000        | 593.04               |
| 310735          | 958                   | 1              | 1.0000        | 593.04               |
| 320744          | 1458                  | 3              | 1.0000        | 676.19               |
| 320750          | 1875                  | 1              | 3.1255        | 265.61               |
| 320778          | 1786                  | 1              | 2.5000        | 474.50               |
| 320792          | 2549                  | 1              | 1.0000        | 650.91               |
| 320792          | 2549                  | 1              | 1.0000        | 650.91               |
| 320809          | 1598                  | 3              | 3.2389        | 536.15               |
| 320816          | 362                   | 1              | 2.5869        | 669.21               |
| 320826          | 843                   | 1              | 4.3953        | 596.89               |
| 320829          | 3752                  | 1              | 1.0000        | 445.55               |
| 320830          | 2832                  | 4              | 1.0000        | 624.21               |
| 330842          | 5816                  | 3              | 1.0000        | 323.38               |
| 330842          | 5816                  | 3              | 1.0000        | 323.38               |
| 330848          | 183                   | 2              | 1.0000        | 1389.46              |
| 330856          | 3042                  | 2              | 2.5000        | 501.24               |
| 330868          | 2111                  | 3              | 2.7563        | 572.04               |
| 330881          | 27977                 | 2              | 1.0000        | 444.33               |
| 330896          | 1498                  | 2              | 3.6307        | 582.28               |
| 330900          | 2906                  | 2              | 1.0000        | 727.92               |
| 330902          | 2030                  | 2              | 3.2635        | 558.69               |
| 330938          | 7618                  | 4              | 1.0000        | 356.18               |
| 330938          | 7618                  | 4              | 2.5029        | 356.18               |
| 330944          | 8291                  | 2              | 1.0000        | 296.26               |
| 330951          | 2606                  | 1              | 1.0000        | 294.01               |
| 330962          | 4069                  | 4              | 1.0000        | 602.15               |
| 330962          | 4069                  | 4              | 1.0000        | 602.15               |
| 330967          | 3501                  | 1              | 1.0000        | 258.12               |
| 340976          | 3602                  | 13             | 1.0000        | 678.97               |
| 340998          | 488                   | 1              | 2.5002        | 311.28               |
| 341024          | 1986                  | 7              | 2.9005        | 743.42               |
| 341053          | 3315                  | 2              | 2.5000        | 640.80               |

**Appendix B**  
**2010 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

| Study Area Code | Actual USF Loop Count | Exchange Count | Sample Weight | Actual Cost per Loop |
|-----------------|-----------------------|----------------|---------------|----------------------|
| 351098          | 319                   | 1              | 2.0000        | 561.87               |
| 351101          | 886                   | 1              | 1.0000        | 777.57               |
| 351101          | 886                   | 1              | 1.0000        | 777.57               |
| 351108          | 140                   | 1              | 1.5000        | 436.26               |
| 351108          | 140                   | 1              | 8.5879        | 436.26               |
| 351112          | 1101                  | 3              | 1.0000        | 787.20               |
| 351113          | 1370                  | 1              | 5.8678        | 361.72               |
| 351118          | 1725                  | 2              | 1.0000        | 572.64               |
| 351121          | 126                   | 1              | 2.0000        | 1004.54              |
| 351125          | 4844                  | 3              | 1.0000        | 323.58               |
| 351126          | 162                   | 2              | 1.5000        | 501.71               |
| 351136          | 565                   | 1              | 1.0000        | 377.61               |
| 351139          | 1340                  | 4              | 4.4087        | 652.70               |
| 351150          | 529                   | 1              | 1.0000        | 1178.56              |
| 351152          | 1280                  | 2              | 1.0000        | 620.10               |
| 351157          | 664                   | 2              | 1.0000        | 578.45               |
| 351162          | 1183                  | 2              | 1.0000        | 532.37               |
| 351162          | 1183                  | 2              | 3.1293        | 532.37               |
| 351173          | 2191                  | 4              | 1.0000        | 609.39               |
| 351174          | 989                   | 3              | 1.0000        | 1080.80              |
| 351189          | 826                   | 2              | 1.0000        | 357.81               |
| 351189          | 826                   | 2              | 3.6808        | 357.81               |
| 351195          | 1721                  | 4              | 1.0000        | 669.96               |
| 351199          | 411                   | 1              | 1.5000        | 497.39               |
| 351209          | 1298                  | 3              | 1.0000        | 598.55               |
| 351217          | 937                   | 3              | 1.0000        | 968.43               |
| 351220          | 1471                  | 2              | 3.8156        | 552.24               |
| 351222          | 666                   | 1              | 5.7848        | 541.96               |
| 351230          | 1791                  | 3              | 1.0000        | 495.22               |
| 351232          | 502                   | 1              | 1.0000        | 619.80               |
| 351246          | 686                   | 2              | 1.0000        | 705.28               |
| 351252          | 4106                  | 1              | 1.0000        | 511.89               |
| 351259          | 2083                  | 7              | 1.0000        | 836.29               |
| 351264          | 622                   | 2              | 2.5000        | 686.43               |
| 351265          | 187                   | 1              | 8.8544        | 734.65               |
| 351269          | 509                   | 1              | 1.0000        | 542.52               |
| 351271          | 1739                  | 1              | 1.0000        | 359.79               |
| 351273          | 743                   | 1              | 6.2840        | 413.76               |
| 351274          | 1540                  | 1              | 1.0000        | 358.40               |
| 351283          | 384                   | 1              | 1.0000        | 1054.29              |
| 351291          | 1662                  | 4              | 1.0000        | 815.73               |
| 351291          | 1662                  | 4              | 2.5000        | 815.73               |
| 351292          | 195                   | 1              | 1.0000        | 1705.15              |
| 351292          | 195                   | 1              | 1.0000        | 1705.15              |
| 351293          | 1032                  | 2              | 1.0000        | 701.12               |
| 351293          | 1032                  | 2              | 5.0543        | 701.12               |

**Appendix B**  
**2010 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

| Study Area Code | Actual USF Loop Count | Exchange Count | Sample Weight | Actual Cost per Loop |
|-----------------|-----------------------|----------------|---------------|----------------------|
| 351294          | 470                   | 1              | 1.0000        | 958.50               |
| 351298          | 12230                 | 6              | 1.0000        | 469.15               |
| 351303          | 593                   | 2              | 1.5000        | 1330.08              |
| 351306          | 1196                  | 1              | 1.0000        | 445.34               |
| 351307          | 180                   | 1              | 2.0000        | 1068.20              |
| 351307          | 180                   | 1              | 9.9968        | 1068.20              |
| 351309          | 469                   | 1              | 1.0000        | 540.93               |
| 351320          | 521                   | 1              | 1.0000        | 874.61               |
| 351324          | 944                   | 2              | 1.0000        | 908.35               |
| 351328          | 4320                  | 16             | 1.0000        | 854.55               |
| 351331          | 4453                  | 6              | 1.0000        | 549.21               |
| 351335          | 316                   | 1              | 1.5000        | 493.95               |
| 351343          | 544                   | 1              | 1.0000        | 609.45               |
| 351344          | 914                   | 3              | 1.5000        | 533.17               |
| 361347          | 3339                  | 3              | 2.5000        | 592.37               |
| 361348          | 71                    | 1              | 2.0000        | 1341.96              |
| 361356          | 4375                  | 5              | 2.5000        | 726.45               |
| 361358          | 5999                  | 7              | 1.0000        | 579.27               |
| 361358          | 5999                  | 7              | 1.0000        | 579.27               |
| 361365          | 273                   | 1              | 2.9228        | 535.87               |
| 361373          | 8741                  | 10             | 2.5000        | 464.84               |
| 361384          | 230                   | 2              | 1.0000        | 559.55               |
| 361390          | 2058                  | 7              | 1.0000        | 1105.53              |
| 361390          | 2058                  | 7              | 1.0000        | 1105.53              |
| 361401          | 1750                  | 10             | 1.0000        | 1009.00              |
| 361404          | 929                   | 2              | 2.5000        | 489.17               |
| 361409          | 9822                  | 1              | 1.0000        | 378.53               |
| 361409          | 9822                  | 1              | 1.0000        | 378.53               |
| 361412          | 4045                  | 3              | 1.0000        | 481.21               |
| 361413          | 1745                  | 4              | 1.0000        | 2141.54              |
| 361413          | 1745                  | 4              | 1.5000        | 2141.54              |
| 361426          | 517                   | 2              | 2.5000        | 817.22               |
| 361431          | 2478                  | 4              | 2.6693        | 452.62               |
| 361440          | 1832                  | 4              | 1.0000        | 417.16               |
| 361475          | 4005                  | 9              | 1.0000        | 569.22               |
| 361479          | 14224                 | 3              | 1.0000        | 454.05               |
| 361495          | 749                   | 2              | 1.0000        | 649.57               |
| 361495          | 749                   | 2              | 1.0000        | 649.57               |
| 361505          | 5710                  | 18             | 1.0000        | 829.48               |
| 361515          | 1962                  | 1              | 2.6888        | 379.02               |
| 361515          | 1962                  | 1              | 4.9082        | 379.02               |
| 361654          | 1546                  | 3              | 1.0000        | 420.68               |
| 371530          | 1404                  | 5              | 1.0000        | 746.99               |
| 371532          | 2731                  | 15             | 1.0000        | 1178.63              |
| 371562          | 1050                  | 3              | 1.0000        | 1012.87              |
| 371565          | 552                   | 2              | 1.0000        | 1034.78              |

**Appendix B**  
**2010 Average Schedule USF Study**  
**Sample Average Schedule Study Areas**  
**Underlying data - Cost per Loop Calculation**

| Study Area Code | Actual USF Loop Count | Exchange Count | Sample Weight | Actual Cost per Loop |
|-----------------|-----------------------|----------------|---------------|----------------------|
| 371581          | 1595                  | 2              | 1.0000        | 532.39               |
| 371581          | 1595                  | 2              | 1.0000        | 532.39               |
| 381614          | 1910                  | 6              | 1.0000        | 371.90               |
| 381622          | 864                   | 2              | 1.0000        | 600.29               |
| 381625          | 5565                  | 16             | 1.0000        | 661.04               |
| 381625          | 5565                  | 16             | 1.0000        | 661.04               |
| 381631          | 4356                  | 13             | 1.0000        | 946.09               |
| 381638          | 989                   | 3              | 1.0000        | 835.64               |
| 383303          | 33954                 | 26             | 1.0000        | 523.73               |
| 391640          | 1460                  | 3              | 1.0000        | 462.64               |
| 391650          | 11161                 | 1              | 1.0000        | 482.23               |
| 391650          | 11161                 | 1              | 1.0000        | 482.23               |
| 391660          | 5795                  | 8              | 1.0000        | 483.10               |
| 391660          | 5795                  | 8              | 2.5000        | 483.10               |
| 391669          | 2003                  | 6              | 1.0000        | 762.06               |
| 391669          | 2003                  | 6              | 1.0000        | 762.06               |
| 391671          | 2222                  | 1              | 1.0000        | 483.87               |
| 391677          | 4642                  | 5              | 1.0000        | 553.20               |
| 391677          | 4642                  | 5              | 1.0000        | 553.20               |
| 391682          | 378                   | 2              | 1.0000        | 915.35               |
| 391688          | 1001                  | 3              | 1.0000        | 680.10               |
| 401710          | 939                   | 2              | 1.0000        | 575.68               |
| 401722          | 3655                  | 8              | 1.0000        | 493.96               |
| 421893          | 474                   | 1              | 1.0000        | 986.72               |
| 421932          | 1349                  | 1              | 2.5438        | 573.36               |
| 421942          | 1605                  | 3              | 1.0000        | 583.39               |
| 421942          | 1605                  | 3              | 3.9982        | 583.39               |
| 431704          | 1097                  | 1              | 1.0000        | 769.25               |
| 432141          | 705                   | 3              | 1.0000        | 645.74               |
| 442038          | 1120                  | 1              | 1.0000        | 862.24               |
| 442043          | 690                   | 2              | 1.0000        | 664.00               |
| 462198          | 849                   | 1              | 1.0000        | 859.93               |
| 462206          | 68                    | 1              | 4.1337        | 607.75               |
| 462210          | 57                    | 1              | 1.0000        | 984.44               |
| 472227          | 1317                  | 5              | 1.0000        | 557.56               |
| 472227          | 1317                  | 5              | 1.0000        | 557.56               |
| 502282          | 2856                  | 2              | 3.5787        | 467.22               |
| 502283          | 2430                  | 5              | 1.0000        | 682.72               |
| 522430          | 3947                  | 3              | 1.0000        | 440.24               |
| 532396          | 575                   | 1              | 2.5000        | 683.57               |
| 613005          | 41                    | 1              | 1.0000        | 1619.13              |
| 613026          | 171                   | 1              | 1.0000        | 469.93               |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops  | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|--------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 1   | 100005             | 573    | 1    | 573               | 1,938               | 622.38                       | 2,935                                  | 2.16                              | 51.44                            |
| 2   | 100015             | 8280   | 7    | 1183              | 9,286               | 530.09                       | 1,015                                  | -0.87                             | -89.07                           |
| 3   | 100019             | 5348   | 6    | 891               | 10,478              | 548.88                       | 6,099                                  | -0.72                             | -41.79                           |
| 4   | 100020             | 4901   | 3    | 1634              | 0                   | 501.08                       | 0                                      | 0.00                              | 0.00                             |
| 5   | 100022             | 6306   | 3    | 2102              | 0                   | 470.97                       | 0                                      | 0.00                              | 0.00                             |
| 6   | 120042             | 468    | 1    | 468               | 2,513               | 672.99                       | 3,680                                  | 2.51                              | 46.44                            |
| 7   | 120043             | 1615   | 1    | 1615              | 407                 | 502.30                       | 0                                      | -0.24                             | -100.00                          |
| 8   | 140053             | 847    | 1    | 847               | 1,748               | 551.71                       | 1,096                                  | -0.72                             | -37.30                           |
| 9   | 140064             | 3497   | 6    | 583               | 13,273              | 617.56                       | 16,997                                 | 1.15                              | 28.06                            |
| 10  | 150076             | 1067   | 1    | 1067              | 1,622               | 537.55                       | 562                                    | -0.89                             | -65.35                           |
| 11  | 150125             | 6894   | 2    | 3447              | 0                   | 409.72                       | 0                                      | 0.00                              | 0.00                             |
| 12  | 170145             | 2345   | 1    | 2345              | 0                   | 455.34                       | 0                                      | 0.00                              | 0.00                             |
| 13  | 170151             | 17526  | 2    | 8763              | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 14  | 170156             | 3943   | 1    | 3943              | 0                   | 405.87                       | 0                                      | 0.00                              | 0.00                             |
| 15  | 170161             | 244047 | 79   | 3089              | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 16  | 170162             | 44612  | 10   | 4461              | 0                   | 401.84                       | 0                                      | 0.00                              | 0.00                             |
| 17  | 170165             | 47752  | 6    | 7959              | 0                   | 374.65                       | 0                                      | 0.00                              | 0.00                             |
| 18  | 170171             | 1272   | 1    | 1272              | 1,424               | 524.37                       | 0                                      | -1.11                             | -100.00                          |
| 19  | 170175             | 4563   | 1    | 4563              | 0                   | 401.05                       | 0                                      | 0.00                              | 0.00                             |
| 20  | 170179             | 5127   | 2    | 2564              | 0                   | 441.25                       | 0                                      | 0.00                              | 0.00                             |
| 21  | 170191             | 10634  | 8    | 1329              | 9,648               | 520.70                       | 0                                      | -0.86                             | -100.00                          |
| 22  | 170193             | 51751  | 8    | 6469              | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 23  | 170195             | 469    | 1    | 469               | 2,506               | 672.51                       | 3,676                                  | 2.60                              | 46.69                            |
| 24  | 170196             | 8211   | 4    | 2053              | 0                   | 474.12                       | 0                                      | 0.00                              | 0.00                             |
| 25  | 170197             | 1321   | 1    | 1321              | 1,305               | 521.21                       | 0                                      | -0.97                             | -100.00                          |
| 26  | 170200             | 1844   | 1    | 1844              | 0                   | 487.57                       | 0                                      | 0.00                              | 0.00                             |
| 27  | 170204             | 2558   | 2    | 1279              | 2,757               | 523.92                       | 0                                      | -1.05                             | -100.00                          |
| 28  | 170210             | 1255   | 1    | 1255              | 1,382               | 525.46                       | 0                                      | -1.05                             | -100.00                          |
| 29  | 170215             | 762    | 1    | 762               | 1,736               | 557.18                       | 1,212                                  | -0.53                             | -30.18                           |
| 30  | 170277             | 40     | 1    | 40                | 453                 | 879.29                       | 825                                    | 9.30                              | 82.12                            |
| 31  | 190220             | 178    | 1    | 178               | 1,632               | 812.77                       | 2,932                                  | 7.15                              | 79.66                            |
| 32  | 190225             | 6729   | 5    | 1346              | 5,717               | 519.61                       | 0                                      | -0.80                             | -100.00                          |
| 33  | 190226             | 27314  | 4    | 6829              | 0                   | 383.44                       | 0                                      | 0.00                              | 0.00                             |
| 34  | 190237             | 1348   | 3    | 449               | 7,560               | 682.15                       | 11,268                                 | 2.90                              | 49.05                            |
| 35  | 190238             | 1573   | 5    | 315               | 11,690              | 746.73                       | 19,415                                 | 5.10                              | 66.08                            |
| 36  | 190239             | 831    | 1    | 831               | 1,748               | 552.74                       | 1,121                                  | -0.68                             | -35.87                           |
| 37  | 190243             | 2686   | 2    | 1343              | 2,517               | 519.80                       | 0                                      | -0.92                             | -100.00                          |
| 38  | 190250             | 23946  | 9    | 2661              | 0                   | 435.01                       | 0                                      | 0.00                              | 0.00                             |
| 39  | 190253             | 1975   | 1    | 1975              | 0                   | 479.14                       | 0                                      | 0.00                              | 0.00                             |
| 40  | 197251             | 984    | 1    | 984               | 1,717               | 542.89                       | 803                                    | -0.86                             | -53.23                           |
| 41  | 200258             | 1385   | 1    | 1385              | 1,157               | 517.10                       | 0                                      | -0.81                             | -100.00                          |
| 42  | 220324             | 2959   | 1    | 2959              | 0                   | 415.84                       | 0                                      | 0.00                              | 0.00                             |
| 43  | 220364             | 6442   | 4    | 1611              | 2,083               | 502.56                       | 0                                      | -0.32                             | -100.00                          |
| 44  | 220380             | 4974   | 6    | 829               | 10,492              | 552.87                       | 6,747                                  | -0.66                             | -35.69                           |
| 45  | 220387             | 15545  | 2    | 7773              | 0                   | 376.10                       | 0                                      | 0.00                              | 0.00                             |
| 46  | 220389             | 5555   | 3    | 1852              | 0                   | 487.05                       | 0                                      | 0.00                              | 0.00                             |
| 47  | 220395             | 3871   | 3    | 1290              | 4,124               | 523.21                       | 0                                      | -1.05                             | -100.00                          |
| 48  | 230478             | 1941   | 1    | 1941              | 0                   | 481.33                       | 0                                      | 0.00                              | 0.00                             |
| 49  | 230491             | 84194  | 3    | 28065             | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 50  | 230494             | 1578   | 1    | 1578              | 451                 | 504.68                       | 0                                      | -0.27                             | -100.00                          |
| 51  | 230495             | 3991   | 1    | 3991              | 0                   | 405.50                       | 0                                      | 0.00                              | 0.00                             |
| 52  | 230496             | 9113   | 7    | 1302              | 9,472               | 522.44                       | 0                                      | -1.02                             | -100.00                          |
| 53  | 230497             | 2677   | 2    | 1339              | 2,259               | 520.06                       | 0                                      | -0.79                             | -100.00                          |
| 54  | 230500             | 959    | 1    | 959               | 1,686               | 544.50                       | 866                                    | -0.67                             | -48.64                           |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 55  | 230501             | 33548 | 12   | 2796              | 0                   | 426.32                       | 0                                      | 0.00                              | 0.00                             |
| 56  | 230503             | 13437 | 6    | 2240              | 0                   | 462.09                       | 0                                      | 0.00                              | 0.00                             |
| 57  | 230505             | 2990  | 3    | 997               | 5,117               | 542.06                       | 2,305                                  | -0.87                             | -54.95                           |
| 58  | 230511             | 26245 | 10   | 2625              | 0                   | 437.32                       | 0                                      | 0.00                              | 0.00                             |
| 59  | 240515             | 4453  | 1    | 4453              | 0                   | 401.90                       | 0                                      | 0.00                              | 0.00                             |
| 60  | 240516             | 13926 | 3    | 4642              | 0                   | 400.44                       | 0                                      | 0.00                              | 0.00                             |
| 61  | 240532             | 475   | 1    | 475               | 2,438               | 669.61                       | 3,648                                  | 3.02                              | 49.63                            |
| 62  | 240535             | 660   | 1    | 660               | 1,670               | 580.44                       | 1,881                                  | 0.48                              | 12.63                            |
| 63  | 240536             | 12517 | 6    | 2086              | 0                   | 472.00                       | 0                                      | 0.00                              | 0.00                             |
| 64  | 240541             | 2055  | 1    | 2055              | 0                   | 473.99                       | 0                                      | 0.00                              | 0.00                             |
| 65  | 240546             | 15211 | 7    | 2173              | 0                   | 466.40                       | 0                                      | 0.00                              | 0.00                             |
| 66  | 250283             | 10184 | 3    | 3395              | 0                   | 410.13                       | 0                                      | 0.00                              | 0.00                             |
| 67  | 250285             | 878   | 1    | 878               | 1,751               | 549.71                       | 1,041                                  | -0.77                             | -40.55                           |
| 68  | 250301             | 1967  | 2    | 984               | 3,452               | 542.89                       | 1,605                                  | -0.90                             | -53.51                           |
| 69  | 250311             | 2019  | 4    | 505               | 9,710               | 655.15                       | 13,924                                 | 2.30                              | 43.40                            |
| 70  | 250312             | 6597  | 1    | 6597              | 0                   | 385.24                       | 0                                      | 0.00                              | 0.00                             |
| 71  | 250322             | 3941  | 4    | 985               | 6,825               | 542.83                       | 3,203                                  | -0.82                             | -53.07                           |
| 72  | 260396             | 5583  | 7    | 798               | 12,167              | 554.86                       | 8,175                                  | -0.65                             | -32.81                           |
| 73  | 260398             | 22147 | 8    | 2768              | 0                   | 428.13                       | 0                                      | 0.00                              | 0.00                             |
| 74  | 260408             | 5869  | 3    | 1956              | 0                   | 480.36                       | 0                                      | 0.00                              | 0.00                             |
| 75  | 260412             | 1214  | 1    | 1214              | 1,446               | 528.10                       | 18                                     | -1.12                             | -98.76                           |
| 76  | 260414             | 15478 | 7    | 2211              | 0                   | 463.96                       | 0                                      | 0.00                              | 0.00                             |
| 77  | 260417             | 1842  | 1    | 1842              | 0                   | 487.70                       | 0                                      | 0.00                              | 0.00                             |
| 78  | 260419             | 7139  | 6    | 1190              | 9,063               | 529.64                       | 701                                    | -1.13                             | -92.27                           |
| 79  | 270428             | 1030  | 1    | 1030              | 1,664               | 539.93                       | 675                                    | -0.86                             | -59.44                           |
| 80  | 280451             | 1564  | 1    | 1564              | 498                 | 505.58                       | 0                                      | -0.30                             | -100.00                          |
| 81  | 280460             | 4933  | 4    | 1233              | 5,736               | 526.87                       | 0                                      | -1.12                             | -100.00                          |
| 82  | 280467             | 767   | 1    | 767               | 1,740               | 556.85                       | 1,206                                  | -0.53                             | -30.69                           |
| 83  | 287449             | 644   | 1    | 644               | 1,793               | 588.16                       | 2,105                                  | 0.63                              | 17.40                            |
| 84  | 290553             | 31862 | 17   | 1874              | 0                   | 485.64                       | 0                                      | 0.00                              | 0.00                             |
| 85  | 290554             | 11520 | 5    | 2304              | 0                   | 457.98                       | 0                                      | 0.00                              | 0.00                             |
| 86  | 290565             | 23405 | 10   | 2341              | 0                   | 455.60                       | 0                                      | 0.00                              | 0.00                             |
| 87  | 290570             | 5102  | 5    | 1020              | 8,463               | 540.58                       | 3,524                                  | -0.90                             | -58.36                           |
| 88  | 290598             | 1358  | 4    | 340               | 9,784               | 734.68                       | 15,739                                 | 4.90                              | 60.86                            |
| 89  | 300585             | 541   | 1    | 541               | 2,244               | 637.80                       | 3,223                                  | 2.15                              | 43.63                            |
| 90  | 300586             | 1091  | 1    | 1091              | 1,637               | 536.01                       | 484                                    | -1.01                             | -70.43                           |
| 91  | 300588             | 988   | 1    | 988               | 1,709               | 542.64                       | 793                                    | -0.84                             | -53.60                           |
| 92  | 300589             | 668   | 1    | 668               | 1,805               | 576.59                       | 1,764                                  | -0.02                             | -2.27                            |
| 93  | 300590             | 971   | 3    | 324               | 7,300               | 742.40                       | 11,722                                 | 5.29                              | 60.58                            |
| 94  | 300591             | 703   | 1    | 703               | 1,293               | 560.97                       | 1,262                                  | -0.55                             | -2.40                            |
| 95  | 300604             | 1292  | 1    | 1292              | 1,195               | 523.08                       | 0                                      | -0.85                             | -100.00                          |
| 96  | 300609             | 2742  | 1    | 2742              | 0                   | 429.80                       | 0                                      | 0.00                              | 0.00                             |
| 97  | 300614             | 793   | 1    | 793               | 1,734               | 555.18                       | 1,175                                  | -0.65                             | -32.24                           |
| 98  | 300619             | 1119  | 1    | 1119              | 1,635               | 534.21                       | 387                                    | -1.10                             | -76.33                           |
| 99  | 300625             | 1485  | 1    | 1485              | 962                 | 510.66                       | 0                                      | -0.64                             | -100.00                          |
| 100 | 300633             | 572   | 1    | 572               | 2,142               | 622.86                       | 2,944                                  | 1.66                              | 37.44                            |
| 101 | 300634             | 3006  | 1    | 3006              | 0                   | 413.15                       | 0                                      | 0.00                              | 0.00                             |
| 102 | 300639             | 1108  | 1    | 1108              | 1,551               | 534.92                       | 426                                    | -0.91                             | -72.53                           |
| 103 | 300645             | 1083  | 1    | 1083              | 1,649               | 536.52                       | 510                                    | -1.01                             | -69.07                           |
| 104 | 300650             | 1367  | 2    | 684               | 3,337               | 568.88                       | 3,040                                  | -0.15                             | -8.90                            |
| 105 | 300651             | 367   | 1    | 367               | 2,480               | 721.67                       | 3,955                                  | 4.34                              | 59.48                            |
| 106 | 300654             | 702   | 1    | 702               | 1,680               | 561.04                       | 1,263                                  | -0.54                             | -24.82                           |
| 107 | 300656             | 1199  | 1    | 1199              | 1,457               | 529.06                       | 80                                     | -1.08                             | -94.51                           |
| 108 | 300659             | 7195  | 2    | 3598              | 0                   | 408.55                       | 0                                      | 0.00                              | 0.00                             |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 109 | 300662             | 630   | 1    | 630               | 1,933               | 594.90                       | 2,289                                  | 0.69                              | 18.42                            |
| 110 | 300663             | 294   | 1    | 294               | 1,770               | 756.86                       | 3,815                                  | 5.54                              | 115.54                           |
| 111 | 300664             | 918   | 1    | 918               | 1,747               | 547.14                       | 960                                    | -0.81                             | -45.05                           |
| 112 | 310669             | 4182  | 1    | 4182              | 0                   | 404.01                       | 0                                      | 0.00                              | 0.00                             |
| 113 | 310675             | 4449  | 4    | 1112              | 6,408               | 534.66                       | 1,647                                  | -1.01                             | -74.30                           |
| 114 | 310676             | 6411  | 4    | 1603              | 2,043               | 503.07                       | 0                                      | -0.31                             | -100.00                          |
| 115 | 310678             | 1202  | 1    | 1202              | 1,434               | 528.87                       | 68                                     | -1.06                             | -95.26                           |
| 116 | 310688             | 1208  | 1    | 1208              | 1,411               | 528.48                       | 43                                     | -1.05                             | -96.95                           |
| 117 | 310692             | 629   | 1    | 629               | 1,756               | 595.39                       | 2,302                                  | 1.10                              | 31.09                            |
| 118 | 310694             | 606   | 1    | 606               | 2,072               | 606.47                       | 2,581                                  | 0.96                              | 24.57                            |
| 119 | 310703             | 1669  | 4    | 462               | 9,128               | 675.88                       | 13,385                                 | 3.16                              | 46.64                            |
| 120 | 310725             | 1008  | 1    | 1008              | 1,697               | 541.35                       | 738                                    | -0.87                             | -56.51                           |
| 121 | 310735             | 971   | 1    | 971               | 1,720               | 543.73                       | 836                                    | -0.83                             | -51.40                           |
| 122 | 320744             | 1426  | 3    | 475               | 7,405               | 669.61                       | 10,952                                 | 2.82                              | 47.90                            |
| 123 | 320750             | 1754  | 1    | 1754              | 0                   | 493.36                       | 0                                      | 0.00                              | 0.00                             |
| 124 | 320751             | 2106  | 2    | 1053              | 3,293               | 538.45                       | 1,212                                  | -0.90                             | -63.19                           |
| 125 | 320756             | 958   | 1    | 958               | 1,720               | 544.57                       | 869                                    | -0.78                             | -49.48                           |
| 126 | 320771             | 439   | 1    | 439               | 2,514               | 686.97                       | 3,784                                  | 3.25                              | 50.52                            |
| 127 | 320777             | 2070  | 1    | 2070              | 0                   | 473.03                       | 0                                      | 0.00                              | 0.00                             |
| 128 | 320778             | 1808  | 1    | 1808              | 0                   | 489.88                       | 0                                      | 0.00                              | 0.00                             |
| 129 | 320792             | 2557  | 1    | 2559              | 0                   | 441.57                       | 0                                      | 0.00                              | 0.00                             |
| 130 | 320796             | 715   | 1    | 715               | 1,712               | 560.20                       | 1,254                                  | -0.48                             | -26.75                           |
| 131 | 320809             | 1450  | 3    | 483               | 7,344               | 665.76                       | 10,834                                 | 2.76                              | 47.52                            |
| 132 | 320816             | 364   | 1    | 364               | 2,473               | 723.12                       | 3,956                                  | 4.36                              | 59.97                            |
| 133 | 320826             | 856   | 1    | 856               | 1,750               | 551.13                       | 1,081                                  | -0.66                             | -38.23                           |
| 134 | 320827             | 1450  | 1    | 1450              | 791                 | 512.91                       | 0                                      | -0.51                             | -100.00                          |
| 135 | 320829             | 3679  | 1    | 3679              | 0                   | 407.92                       | 0                                      | 0.00                              | 0.00                             |
| 136 | 320830             | 2811  | 4    | 703               | 6,758               | 560.97                       | 5,046                                  | -0.52                             | -25.33                           |
| 137 | 320837             | 711   | 1    | 711               | 1,693               | 560.46                       | 1,257                                  | -0.53                             | -25.75                           |
| 138 | 320839             | 781   | 1    | 781               | 1,745               | 555.95                       | 1,190                                  | -0.54                             | -31.81                           |
| 139 | 330842             | 5733  | 3    | 1911              | 0                   | 483.26                       | 0                                      | 0.00                              | 0.00                             |
| 140 | 330843             | 4528  | 3    | 1509              | 2,303               | 509.12                       | 0                                      | -0.49                             | -100.00                          |
| 141 | 330846             | 3876  | 2    | 1938              | 0                   | 481.52                       | 0                                      | 0.00                              | 0.00                             |
| 142 | 330847             | 782   | 1    | 782               | 1,732               | 555.89                       | 1,189                                  | -0.63                             | -31.35                           |
| 143 | 330848             | 181   | 2    | 91                | 1,933               | 854.70                       | 3,455                                  | 8.53                              | 78.74                            |
| 144 | 330849             | 1295  | 1    | 1295              | 1,305               | 522.89                       | 0                                      | -0.97                             | -100.00                          |
| 145 | 330851             | 1599  | 1    | 1599              | 173                 | 503.33                       | 0                                      | -0.10                             | -100.00                          |
| 146 | 330856             | 2468  | 2    | 1234              | 1,271               | 526.81                       | 0                                      | -0.39                             | -100.00                          |
| 147 | 330865             | 1470  | 1    | 1470              | 889                 | 511.63                       | 0                                      | -0.58                             | -100.00                          |
| 148 | 330868             | 2243  | 3    | 748               | 5,117               | 558.08                       | 3,676                                  | -0.62                             | -28.16                           |
| 149 | 330872             | 1489  | 1    | 1489              | 783                 | 510.41                       | 0                                      | -0.50                             | -100.00                          |
| 150 | 330875             | 1156  | 1    | 1156              | 1,604               | 531.83                       | 251                                    | -1.17                             | -84.35                           |
| 151 | 330879             | 2681  | 3    | 894               | 4,780               | 548.68                       | 3,028                                  | -0.24                             | -36.65                           |
| 152 | 330880             | 5749  | 4    | 1437              | 4,032               | 513.75                       | 0                                      | -0.68                             | -100.00                          |
| 153 | 330881             | 28716 | 2    | 14358             | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 154 | 330889             | 1813  | 2    | 907               | 3,485               | 547.85                       | 1,966                                  | -0.74                             | -43.59                           |
| 155 | 330892             | 1521  | 1    | 1521              | 703                 | 508.35                       | 0                                      | -0.44                             | -100.00                          |
| 156 | 330896             | 1560  | 2    | 780               | 3,457               | 556.02                       | 2,382                                  | -0.63                             | -31.10                           |
| 157 | 330902             | 2058  | 2    | 1029              | 3,351               | 540.00                       | 1,357                                  | -0.88                             | -59.50                           |
| 158 | 330905             | 2414  | 2    | 1207              | 3,009               | 528.55                       | 95                                     | -1.18                             | -96.84                           |
| 159 | 330914             | 4809  | 5    | 962               | 8,546               | 544.31                       | 4,294                                  | -0.76                             | -49.75                           |
| 160 | 330915             | 4499  | 1    | 4499              | 0                   | 401.55                       | 0                                      | 0.00                              | 0.00                             |
| 161 | 330925             | 2103  | 1    | 2103              | 0                   | 470.91                       | 0                                      | 0.00                              | 0.00                             |
| 162 | 330930             | 3382  | 5    | 676               | 8,348               | 572.73                       | 8,226                                  | 0.06                              | -1.46                            |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 163 | 330938             | 6927  | 4    | 1732              | 0                   | 494.77                       | 0                                      | 0.00                              | 0.00                             |
| 164 | 330943             | 2813  | 2    | 1407              | 1,684               | 515.68                       | 0                                      | -0.54                             | -100.00                          |
| 165 | 330944             | 8482  | 2    | 4241              | 0                   | 403.55                       | 0                                      | 0.00                              | 0.00                             |
| 166 | 330945             | 2233  | 2    | 1117              | 3,187               | 534.34                       | 788                                    | -1.01                             | -75.27                           |
| 167 | 330946             | 948   | 2    | 474               | 4,943               | 670.10                       | 7,306                                  | 2.81                              | 47.80                            |
| 168 | 330951             | 2639  | 1    | 2639              | 0                   | 436.42                       | 0                                      | 0.00                              | 0.00                             |
| 169 | 330955             | 8907  | 1    | 8907              | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 170 | 330966             | 6662  | 8    | 833               | 13,976              | 552.61                       | 8,943                                  | -0.70                             | -36.01                           |
| 171 | 330967             | 3118  | 1    | 3118              | 0                   | 412.28                       | 0                                      | 0.00                              | 0.00                             |
| 172 | 330968             | 6517  | 1    | 6517              | 0                   | 385.86                       | 0                                      | 0.00                              | 0.00                             |
| 173 | 330970             | 5325  | 5    | 1065              | 8,273               | 537.68                       | 2,842                                  | -0.96                             | -65.65                           |
| 174 | 340976             | 3662  | 13   | 282               | 29,079              | 762.64                       | 48,841                                 | 5.72                              | 67.96                            |
| 175 | 340983             | 1089  | 2    | 633               | 3,330               | 593.46                       | 3,872                                  | 0.70                              | 16.28                            |
| 176 | 340990             | 258   | 1    | 258               | 2,144               | 774.21                       | 3,628                                  | 6.15                              | 69.22                            |
| 177 | 340993             | 450   | 1    | 450               | 2,481               | 681.66                       | 3,750                                  | 3.36                              | 51.15                            |
| 178 | 340998             | 482   | 1    | 482               | 2,490               | 666.24                       | 3,614                                  | 2.44                              | 45.14                            |
| 179 | 341016             | 6310  | 2    | 3155              | 0                   | 411.99                       | 0                                      | 0.00                              | 0.00                             |
| 180 | 341017             | 1102  | 1    | 1102              | 1,640               | 535.30                       | 446                                    | -1.05                             | -72.80                           |
| 181 | 341021             | 97    | 1    | 97                | 1,017               | 851.81                       | 1,834                                  | 8.42                              | 80.33                            |
| 182 | 341024             | 1921  | 7    | 274               | 15,559              | 766.50                       | 26,084                                 | 5.91                              | 67.65                            |
| 183 | 341029             | 1220  | 2    | 610               | 4,066               | 604.54                       | 5,069                                  | 0.96                              | 24.67                            |
| 184 | 341041             | 92    | 1    | 92                | 944                 | 854.22                       | 1,754                                  | 8.46                              | 85.81                            |
| 185 | 341046             | 143   | 1    | 143               | 1,424               | 829.64                       | 2,506                                  | 7.77                              | 75.98                            |
| 186 | 341050             | 2058  | 1    | 2058              | 0                   | 473.80                       | 0                                      | 0.00                              | 0.00                             |
| 187 | 341053             | 3247  | 2    | 1624              | 491                 | 501.72                       | 0                                      | -0.14                             | -100.00                          |
| 188 | 341062             | 518   | 1    | 518               | 2,409               | 648.89                       | 3,397                                  | 2.06                              | 41.01                            |
| 189 | 341075             | 439   | 1    | 439               | 2,512               | 686.97                       | 3,784                                  | 3.29                              | 50.64                            |
| 190 | 341086             | 435   | 1    | 435               | 2,519               | 688.89                       | 3,797                                  | 3.25                              | 50.73                            |
| 191 | 341087             | 594   | 1    | 594               | 2,124               | 612.26                       | 2,717                                  | 1.14                              | 27.92                            |
| 192 | 341092             | 81    | 1    | 81                | 869                 | 859.52                       | 1,571                                  | 8.67                              | 80.78                            |
| 193 | 351097             | 314   | 1    | 314               | 2,357               | 747.22                       | 3,885                                  | 5.21                              | 64.83                            |
| 194 | 351098             | 328   | 1    | 328               | 2,354               | 740.47                       | 3,920                                  | 4.77                              | 66.53                            |
| 195 | 351101             | 908   | 1    | 908               | 1,750               | 547.78                       | 981                                    | -0.84                             | -43.94                           |
| 196 | 351107             | 292   | 1    | 292               | 2,283               | 757.82                       | 3,807                                  | 5.58                              | 66.75                            |
| 197 | 351108             | 133   | 1    | 133               | 1,394               | 834.46                       | 2,371                                  | 8.01                              | 70.09                            |
| 198 | 351112             | 1038  | 3    | 346               | 7,260               | 731.79                       | 11,843                                 | 4.54                              | 63.13                            |
| 199 | 351113             | 1381  | 1    | 1381              | 1,075               | 517.35                       | 0                                      | -0.74                             | -100.00                          |
| 200 | 351114             | 374   | 1    | 374               | 2,485               | 718.30                       | 3,952                                  | 4.16                              | 59.03                            |
| 201 | 351115             | 1847  | 4    | 607               | 6,299               | 605.99                       | 7,820                                  | 1.15                              | 24.15                            |
| 202 | 351118             | 1749  | 2    | 875               | 3,499               | 549.91                       | 2,092                                  | -0.78                             | -40.21                           |
| 203 | 351119             | 366   | 1    | 366               | 2,473               | 722.15                       | 3,955                                  | 4.30                              | 59.93                            |
| 204 | 351121             | 126   | 1    | 126               | 1,275               | 837.83                       | 2,273                                  | 8.00                              | 78.27                            |
| 205 | 351125             | 4742  | 3    | 1581              | 898                 | 504.49                       | 0                                      | -0.17                             | -100.00                          |
| 206 | 351126             | 159   | 2    | 80                | 1,813               | 860.01                       | 3,088                                  | 8.76                              | 70.33                            |
| 207 | 351133             | 753   | 4    | 188               | 6,876               | 807.95                       | 12,175                                 | 7.04                              | 77.07                            |
| 208 | 351136             | 546   | 1    | 546               | 2,270               | 635.39                       | 3,181                                  | 1.93                              | 40.13                            |
| 209 | 351137             | 558   | 2    | 279               | 4,448               | 764.09                       | 7,493                                  | 5.77                              | 68.46                            |
| 210 | 351139             | 1385  | 4    | 346               | 9,642               | 731.79                       | 15,802                                 | 4.50                              | 63.89                            |
| 211 | 351141             | 757   | 1    | 757               | 1,703               | 557.50                       | 1,217                                  | -0.66                             | -28.54                           |
| 212 | 351146             | 319   | 1    | 319               | 2,377               | 744.81                       | 3,899                                  | 5.15                              | 64.03                            |
| 213 | 351147             | 809   | 1    | 809               | 1,747               | 554.15                       | 1,154                                  | -0.60                             | -33.94                           |
| 214 | 351149             | 250   | 1    | 250               | 2,061               | 778.06                       | 3,575                                  | 6.12                              | 73.46                            |
| 215 | 351150             | 527   | 1    | 527               | 2,331               | 644.55                       | 3,332                                  | 2.19                              | 42.94                            |
| 216 | 351152             | 1319  | 2    | 660               | 3,632               | 580.44                       | 3,759                                  | 0.16                              | 3.50                             |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 217 | 351153             | 657   | 1    | 657               | 1,799               | 581.89                       | 1,924                                  | 0.28                              | 6.95                             |
| 218 | 351157             | 676   | 2    | 338               | 4,784               | 735.65                       | 7,876                                  | 4.67                              | 64.63                            |
| 219 | 351160             | 945   | 2    | 473               | 4,951               | 670.58                       | 7,307                                  | 2.79                              | 47.59                            |
| 220 | 351162             | 1195  | 2    | 598               | 4,235               | 610.33                       | 5,340                                  | 1.05                              | 26.09                            |
| 221 | 351166             | 789   | 1    | 789               | 1,733               | 555.44                       | 1,180                                  | -0.65                             | -31.91                           |
| 222 | 351168             | 1730  | 7    | 247               | 14,402              | 779.51                       | 24,897                                 | 6.21                              | 72.87                            |
| 223 | 351171             | 1936  | 1    | 1936              | 0                   | 481.65                       | 0                                      | 0.00                              | 0.00                             |
| 224 | 351173             | 2265  | 4    | 566               | 8,885               | 625.75                       | 12,014                                 | 1.57                              | 35.22                            |
| 225 | 351175             | 370   | 1    | 370               | 2,448               | 720.22                       | 3,954                                  | 4.00                              | 61.52                            |
| 226 | 351176             | 504   | 1    | 504               | 2,381               | 655.64                       | 3,489                                  | 2.57                              | 46.54                            |
| 227 | 351177             | 1456  | 4    | 364               | 9,835               | 723.12                       | 15,823                                 | 4.24                              | 60.88                            |
| 228 | 351179             | 300   | 1    | 300               | 2,276               | 753.96                       | 3,838                                  | 5.31                              | 68.63                            |
| 229 | 351188             | 501   | 1    | 501               | 2,432               | 657.08                       | 3,508                                  | 2.38                              | 44.24                            |
| 230 | 351189             | 835   | 2    | 418               | 5,035               | 697.09                       | 7,716                                  | 3.37                              | 53.25                            |
| 231 | 351191             | 464   | 1    | 464               | 2,425               | 674.92                       | 3,697                                  | 3.38                              | 52.45                            |
| 232 | 351195             | 1741  | 4    | 435               | 10,075              | 688.89                       | 15,195                                 | 3.20                              | 50.82                            |
| 233 | 351199             | 417   | 1    | 417               | 2,519               | 697.57                       | 3,866                                  | 3.36                              | 53.47                            |
| 234 | 351202             | 708   | 1    | 708               | 1,817               | 560.65                       | 1,259                                  | -0.91                             | -30.71                           |
| 235 | 351203             | 736   | 1    | 736               | 1,710               | 558.85                       | 1,237                                  | -0.56                             | -27.66                           |
| 236 | 351205             | 1362  | 2    | 681               | 3,388               | 570.32                       | 3,135                                  | 0.00                              | -7.47                            |
| 237 | 351206             | 325   | 2    | 163               | 3,227               | 820.00                       | 5,500                                  | 7.57                              | 70.44                            |
| 238 | 351212             | 3122  | 1    | 3122              | 0                   | 412.25                       | 0                                      | 0.00                              | 0.00                             |
| 239 | 351213             | 348   | 1    | 348               | 2,243               | 730.83                       | 3,949                                  | 3.74                              | 76.06                            |
| 240 | 351217             | 897   | 3    | 299               | 6,850               | 754.45                       | 11,504                                 | 5.36                              | 67.94                            |
| 241 | 351220             | 1413  | 2    | 707               | 3,451               | 560.71                       | 2,517                                  | -0.40                             | -27.06                           |
| 242 | 351222             | 708   | 1    | 708               | 1,681               | 560.65                       | 1,259                                  | -0.56                             | -25.10                           |
| 243 | 351225             | 1635  | 4    | 409               | 10,036              | 701.43                       | 15,551                                 | 3.37                              | 54.95                            |
| 244 | 351228             | 252   | 1    | 252               | 2,047               | 777.10                       | 3,589                                  | 6.02                              | 75.33                            |
| 245 | 351230             | 1811  | 3    | 604               | 6,367               | 607.44                       | 7,810                                  | 0.88                              | 22.66                            |
| 246 | 351232             | 537   | 1    | 537               | 2,442               | 639.73                       | 3,255                                  | 1.37                              | 33.29                            |
| 247 | 351235             | 575   | 1    | 575               | 2,185               | 621.41                       | 2,915                                  | 1.45                              | 33.41                            |
| 248 | 351237             | 1326  | 4    | 332               | 9,748               | 738.54                       | 15,688                                 | 5.07                              | 60.94                            |
| 249 | 351238             | 290   | 1    | 290               | 2,273               | 758.78                       | 3,798                                  | 5.59                              | 67.09                            |
| 250 | 351239             | 545   | 2    | 273               | 4,455               | 766.98                       | 7,417                                  | 5.95                              | 66.49                            |
| 251 | 351241             | 731   | 1    | 731               | 1,698               | 559.17                       | 1,241                                  | -0.59                             | -26.91                           |
| 252 | 351242             | 695   | 1    | 695               | 1,672               | 563.57                       | 1,346                                  | -0.42                             | -19.50                           |
| 253 | 351245             | 359   | 1    | 359               | 2,446               | 725.53                       | 3,955                                  | 4.32                              | 61.69                            |
| 254 | 351246             | 683   | 2    | 342               | 4,887               | 733.72                       | 7,875                                  | 4.82                              | 61.14                            |
| 255 | 351247             | 838   | 4    | 210               | 7,551               | 797.35                       | 12,994                                 | 6.81                              | 72.08                            |
| 256 | 351248             | 1645  | 2    | 823               | 3,500               | 553.25                       | 2,265                                  | -0.53                             | -35.29                           |
| 257 | 351250             | 523   | 1    | 523               | 2,312               | 646.48                       | 3,361                                  | 2.37                              | 45.37                            |
| 258 | 351251             | 1871  | 3    | 624               | 5,867               | 597.80                       | 7,092                                  | 0.79                              | 20.88                            |
| 259 | 351252             | 4384  | 1    | 4384              | 0                   | 402.44                       | 0                                      | 0.00                              | 0.00                             |
| 260 | 351257             | 777   | 1    | 777               | 1,729               | 556.21                       | 1,195                                  | -0.63                             | -30.88                           |
| 261 | 351259             | 2130  | 7    | 304               | 16,265              | 752.04                       | 26,997                                 | 5.37                              | 65.98                            |
| 262 | 351260             | 4258  | 3    | 1419              | 2,970               | 514.91                       | 0                                      | -0.66                             | -100.00                          |
| 263 | 351261             | 1141  | 4    | 285               | 8,957               | 761.19                       | 15,114                                 | 5.63                              | 68.74                            |
| 264 | 351263             | 1514  | 1    | 1514              | 517                 | 508.80                       | 0                                      | -0.31                             | -100.00                          |
| 265 | 351264             | 639   | 2    | 320               | 4,690               | 744.32                       | 7,791                                  | 4.99                              | 66.12                            |
| 266 | 351265             | 194   | 1    | 194               | 1,772               | 805.06                       | 3,102                                  | 6.99                              | 75.06                            |
| 267 | 351266             | 241   | 1    | 241               | 2,024               | 782.40                       | 3,512                                  | 6.28                              | 73.52                            |
| 268 | 351269             | 484   | 1    | 484               | 2,504               | 665.28                       | 3,604                                  | 2.23                              | 43.93                            |
| 269 | 351270             | 260   | 1    | 260               | 2,131               | 773.24                       | 3,640                                  | 6.05                              | 70.81                            |
| 270 | 351271             | 1769  | 1    | 1769              | 0                   | 492.39                       | 0                                      | 0.00                              | 0.00                             |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 271 | 351273             | 753   | 1    | 753               | 1,715               | 557.75                       | 1,221                                  | -0.61                             | -28.80                           |
| 272 | 351274             | 1375  | 1    | 1375              | 1,028               | 517.74                       | 0                                      | -0.70                             | -100.00                          |
| 273 | 351275             | 189   | 1    | 189               | 1,772               | 807.47                       | 3,050                                  | 7.14                              | 72.12                            |
| 274 | 351276             | 1055  | 2    | 528               | 4,712               | 644.07                       | 6,643                                  | 2.05                              | 40.98                            |
| 275 | 351277             | 462   | 1    | 462               | 2,511               | 675.88                       | 3,705                                  | 2.70                              | 47.55                            |
| 276 | 351278             | 874   | 1    | 874               | 1,751               | 549.97                       | 1,048                                  | -0.76                             | -40.15                           |
| 277 | 351280             | 357   | 1    | 357               | 2,452               | 726.49                       | 3,955                                  | 4.42                              | 61.30                            |
| 278 | 351282             | 1163  | 4    | 291               | 8,964               | 758.30                       | 15,196                                 | 5.45                              | 69.52                            |
| 279 | 351283             | 398   | 1    | 398               | 2,522               | 706.73                       | 3,917                                  | 4.08                              | 55.31                            |
| 280 | 351284             | 707   | 1    | 707               | 1,672               | 560.71                       | 1,259                                  | -0.58                             | -24.70                           |
| 281 | 351285             | 962   | 2    | 481               | 4,962               | 666.72                       | 7,238                                  | 2.55                              | 45.87                            |
| 282 | 351291             | 1632  | 4    | 408               | 10,068              | 701.91                       | 15,572                                 | 3.65                              | 54.67                            |
| 283 | 351292             | 208   | 1    | 208               | 1,784               | 798.31                       | 3,238                                  | 6.60                              | 81.50                            |
| 284 | 351293             | 1039  | 2    | 520               | 4,846               | 647.92                       | 6,759                                  | 1.93                              | 39.48                            |
| 285 | 351294             | 470   | 1    | 470               | 2,485               | 672.02                       | 3,671                                  | 2.80                              | 47.73                            |
| 286 | 351298             | 10544 | 5    | 2109              | 0                   | 470.52                       | 0                                      | 0.00                              | 0.00                             |
| 287 | 351301             | 620   | 3    | 207               | 5,688               | 798.79                       | 9,670                                  | 6.91                              | 70.01                            |
| 288 | 351302             | 1126  | 1    | 1126              | 1,633               | 533.76                       | 362                                    | -1.12                             | -77.83                           |
| 289 | 351304             | 780   | 1    | 780               | 1,746               | 556.02                       | 1,191                                  | -0.52                             | -31.79                           |
| 290 | 351306             | 1240  | 1    | 1240              | 1,457               | 526.42                       | 0                                      | -1.15                             | -100.00                          |
| 291 | 351307             | 171   | 1    | 171               | 1,618               | 816.14                       | 2,852                                  | 7.33                              | 76.27                            |
| 292 | 351308             | 396   | 1    | 396               | 2,479               | 707.69                       | 3,922                                  | 3.45                              | 58.21                            |
| 293 | 351309             | 519   | 1    | 519               | 2,421               | 648.41                       | 3,390                                  | 1.97                              | 40.02                            |
| 294 | 351310             | 503   | 1    | 503               | 2,456               | 656.12                       | 3,495                                  | 2.17                              | 42.30                            |
| 295 | 351319             | 2462  | 6    | 410               | 15,135              | 700.94                       | 23,342                                 | 3.72                              | 54.23                            |
| 296 | 351320             | 512   | 1    | 512               | 2,396               | 651.78                       | 3,438                                  | 2.29                              | 43.49                            |
| 297 | 351322             | 380   | 1    | 445               | 2,161               | 684.07                       | 3,216                                  | 2.95                              | 48.82                            |
| 298 | 351324             | 904   | 2    | 452               | 4,971               | 680.70                       | 7,486                                  | 3.24                              | 50.59                            |
| 299 | 351329             | 1210  | 1    | 1210              | 1,452               | 528.35                       | 34                                     | -1.12                             | -97.66                           |
| 300 | 351331             | 4488  | 6    | 748               | 10,285              | 558.08                       | 7,355                                  | -0.59                             | -28.49                           |
| 301 | 351334             | 3467  | 8    | 433               | 20,177              | 689.86                       | 30,469                                 | 3.02                              | 51.01                            |
| 302 | 351335             | 321   | 1    | 321               | 2,351               | 743.84                       | 3,904                                  | 4.97                              | 66.06                            |
| 303 | 351336             | 1539  | 1    | 1539              | 324                 | 507.19                       | 0                                      | -0.19                             | -100.00                          |
| 304 | 351342             | 202   | 1    | 202               | 1,877               | 801.20                       | 3,181                                  | 7.02                              | 69.47                            |
| 305 | 351343             | 566   | 1    | 566               | 2,244               | 625.75                       | 3,002                                  | 1.49                              | 33.78                            |
| 306 | 351344             | 862   | 3    | 287               | 6,804               | 760.23                       | 11,367                                 | 5.66                              | 67.06                            |
| 307 | 351405             | 2061  | 7    | 294               | 15,809              | 756.86                       | 26,743                                 | 5.44                              | 69.16                            |
| 308 | 351424             | 930   | 3    | 310               | 6,912               | 749.14                       | 11,619                                 | 5.11                              | 68.10                            |
| 309 | 361347             | 3433  | 3    | 1144              | 4,825               | 532.60                       | 888                                    | -1.13                             | -81.60                           |
| 310 | 361348             | 77    | 1    | 77                | 792                 | 861.45                       | 1,503                                  | 8.67                              | 89.77                            |
| 311 | 361353             | 1157  | 1    | 1157              | 1,539               | 531.76                       | 247                                    | -1.06                             | -83.95                           |
| 312 | 361356             | 4466  | 5    | 893               | 8,744               | 548.75                       | 5,061                                  | -0.77                             | -42.12                           |
| 313 | 361365             | 281   | 1    | 281               | 2,204               | 763.12                       | 3,756                                  | 5.63                              | 70.42                            |
| 314 | 361372             | 184   | 1    | 184               | 1,717               | 809.88                       | 2,997                                  | 7.16                              | 74.55                            |
| 315 | 361373             | 8268  | 10   | 827               | 17,497              | 552.99                       | 11,269                                 | -0.57                             | -35.59                           |
| 316 | 361375             | 7767  | 11   | 706               | 18,665              | 560.78                       | 13,864                                 | -0.50                             | -25.72                           |
| 317 | 361381             | 204   | 1    | 204               | 1,899               | 800.24                       | 3,200                                  | 7.02                              | 68.51                            |
| 318 | 361389             | 1037  | 4    | 259               | 8,423               | 773.73                       | 14,549                                 | 6.00                              | 72.73                            |
| 319 | 361390             | 2002  | 7    | 286               | 15,579              | 760.71                       | 26,459                                 | 5.56                              | 69.84                            |
| 320 | 361396             | 2751  | 4    | 688               | 6,730               | 566.95                       | 5,830                                  | -0.21                             | -13.37                           |
| 321 | 361401             | 1790  | 10   | 179               | 16,613              | 812.29                       | 29,428                                 | 7.19                              | 77.14                            |
| 322 | 361403             | 780   | 1    | 780               | 1,732               | 556.02                       | 1,191                                  | -0.62                             | -31.24                           |
| 323 | 361404             | 935   | 2    | 468               | 5,010               | 672.99                       | 7,352                                  | 2.63                              | 46.75                            |
| 324 | 361405             | 610   | 3    | 203               | 5,389               | 800.72                       | 9,587                                  | 6.78                              | 77.90                            |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|-----|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 325 | 361408             | 1783  | 3    | 594               | 6,246               | 612.26                       | 8,155                                  | 1.25                              | 30.56                            |
| 326 | 361409             | 9633  | 1    | 9633              | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 327 | 361413             | 1765  | 4    | 441               | 10,068              | 686.00                       | 15,122                                 | 3.13                              | 50.20                            |
| 328 | 361419             | 310   | 1    | 310               | 2,324               | 749.14                       | 3,873                                  | 5.19                              | 66.65                            |
| 329 | 361423             | 808   | 1    | 808               | 1,747               | 554.22                       | 1,155                                  | -0.61                             | -33.89                           |
| 330 | 361424             | 744   | 2    | 372               | 4,912               | 719.26                       | 7,906                                  | 4.02                              | 60.95                            |
| 331 | 361426             | 520   | 2    | 260               | 4,290               | 773.24                       | 7,280                                  | 6.10                              | 69.70                            |
| 332 | 361427             | 23487 | 1    | 23487             | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 333 | 361430             | 9450  | 8    | 1181              | 12,021              | 530.22                       | 1,225                                  | -1.09                             | -89.81                           |
| 334 | 361431             | 2439  | 4    | 610               | 8,155               | 604.54                       | 10,135                                 | 0.95                              | 24.28                            |
| 335 | 361439             | 775   | 3    | 258               | 6,499               | 774.21                       | 10,897                                 | 6.21                              | 67.67                            |
| 336 | 361440             | 1841  | 4    | 460               | 10,044              | 676.84                       | 14,860                                 | 2.73                              | 47.95                            |
| 337 | 361443             | 9383  | 9    | 1043              | 13,253              | 539.10                       | 5,729                                  | -0.56                             | -56.77                           |
| 338 | 361448             | 1559  | 1    | 1559              | 579                 | 505.90                       | 0                                      | -0.35                             | -100.00                          |
| 339 | 361450             | 4020  | 6    | 670               | 10,032              | 575.62                       | 10,407                                 | 0.20                              | 3.74                             |
| 340 | 361472             | 5803  | 10   | 580               | 22,256              | 619.00                       | 28,658                                 | 1.19                              | 28.77                            |
| 341 | 361474             | 523   | 1    | 523               | 2,430               | 646.48                       | 3,361                                  | 1.82                              | 38.31                            |
| 342 | 361475             | 3762  | 9    | 418               | 22,685              | 697.09                       | 34,762                                 | 3.53                              | 53.24                            |
| 343 | 361476             | 433   | 1    | 433               | 2,521               | 689.86                       | 3,805                                  | 3.23                              | 50.93                            |
| 344 | 361479             | 13908 | 3    | 4636              | 0                   | 400.48                       | 0                                      | 0.00                              | 0.00                             |
| 345 | 361485             | 1253  | 2    | 627               | 4,144               | 596.35                       | 4,651                                  | 0.42                              | 12.23                            |
| 346 | 361487             | 1224  | 1    | 1224              | 1,434               | 527.45                       | 0                                      | -1.12                             | -100.00                          |
| 347 | 361494             | 999   | 1    | 999               | 1,703               | 541.93                       | 763                                    | -0.86                             | -55.20                           |
| 348 | 361495             | 672   | 2    | 336               | 4,958               | 736.61                       | 7,869                                  | 5.25                              | 58.71                            |
| 349 | 361499             | 2198  | 1    | 2198              | 0                   | 464.79                       | 0                                      | 0.00                              | 0.00                             |
| 350 | 361500             | 37    | 1    | 37                | 421                 | 880.73                       | 767                                    | 9.35                              | 82.19                            |
| 351 | 361502             | 1880  | 2    | 940               | 3,306               | 545.72                       | 1,822                                  | -0.52                             | -44.89                           |
| 352 | 361505             | 5976  | 18   | 332               | 43,106              | 738.54                       | 70,701                                 | 4.85                              | 64.02                            |
| 353 | 361507             | 1343  | 1    | 1343              | 1,184               | 519.80                       | 0                                      | -0.84                             | -100.00                          |
| 354 | 361508             | 920   | 1    | 920               | 1,743               | 547.01                       | 956                                    | -0.78                             | -45.15                           |
| 355 | 361512             | 167   | 1    | 167               | 1,591               | 818.07                       | 2,806                                  | 7.39                              | 76.37                            |
| 356 | 361515             | 1979  | 1    | 1979              | 0                   | 478.88                       | 0                                      | 0.00                              | 0.00                             |
| 357 | 361654             | 1546  | 3    | 515               | 7,249               | 650.33                       | 10,259                                 | 2.10                              | 41.52                            |
| 358 | 371530             | 1386  | 5    | 277               | 11,119              | 765.05                       | 18,694                                 | 5.82                              | 68.13                            |
| 359 | 371555             | 5471  | 9    | 608               | 18,247              | 605.51                       | 23,021                                 | 1.03                              | 26.16                            |
| 360 | 371563             | 960   | 2    | 480               | 4,914               | 667.20                       | 7,247                                  | 2.75                              | 47.48                            |
| 361 | 371581             | 1604  | 2    | 802               | 3,487               | 554.60                       | 2,326                                  | -0.61                             | -33.30                           |
| 362 | 371590             | 78    | 1    | 78                | 878                 | 860.97                       | 1,520                                  | 8.78                              | 73.12                            |
| 363 | 381509             | 289   | 2    | 145               | 2,959               | 828.68                       | 5,047                                  | 7.83                              | 70.56                            |
| 364 | 381601             | 47    | 1    | 47                | 528                 | 875.91                       | 960                                    | 9.19                              | 81.82                            |
| 365 | 381614             | 1372  | 5    | 274               | 10,929              | 766.50                       | 18,630                                 | 5.79                              | 70.46                            |
| 366 | 381615             | 1842  | 4    | 461               | 10,024              | 676.36                       | 14,820                                 | 2.76                              | 47.85                            |
| 367 | 381622             | 858   | 2    | 429               | 5,045               | 691.79                       | 7,644                                  | 3.20                              | 51.52                            |
| 368 | 381625             | 5320  | 15   | 355               | 36,465              | 727.45                       | 59,253                                 | 4.36                              | 62.49                            |
| 369 | 381638             | 1030  | 3    | 343               | 7,239               | 733.24                       | 11,845                                 | 4.62                              | 63.63                            |
| 370 | 383303             | 33997 | 25   | 1360              | 30,297              | 518.70                       | 0                                      | -0.87                             | -100.00                          |
| 371 | 391640             | 1452  | 3    | 484               | 7,425               | 665.28                       | 10,811                                 | 2.54                              | 45.60                            |
| 372 | 391642             | 2801  | 5    | 560               | 11,587              | 628.64                       | 15,295                                 | 1.38                              | 32.00                            |
| 373 | 391649             | 1390  | 1    | 1390              | 1,055               | 516.77                       | 0                                      | -0.72                             | -100.00                          |
| 374 | 391650             | 10622 | 1    | 10622             | 0                   | 374.34                       | 0                                      | 0.00                              | 0.00                             |
| 375 | 391653             | 340   | 1    | 340               | 2,390               | 734.68                       | 3,941                                  | 4.58                              | 64.90                            |
| 376 | 391660             | 5841  | 8    | 730               | 13,667              | 559.23                       | 9,936                                  | -0.55                             | -27.30                           |
| 377 | 391664             | 3646  | 14   | 260               | 29,859              | 773.24                       | 51,043                                 | 6.06                              | 70.95                            |
| 378 | 391669             | 2046  | 6    | 341               | 14,351              | 734.20                       | 23,651                                 | 4.56                              | 64.80                            |

**Appendix C**  
**2010 Average Schedule USF Study**  
**Comparison of Current and Proposed Monthly HCL Cost per Loop Model Payments**

| Obs           | Study Area<br>Code | Loops | Exch | Loops per<br>Exch | Current<br>Payments | Proposed<br>Cost per<br>Loop | Monthly Payment<br>(Fund Cap<br>Appl.) | Per Loop<br>Payment<br>Difference | Payment<br>Percent<br>Difference |
|---------------|--------------------|-------|------|-------------------|---------------------|------------------------------|----------------------------------------|-----------------------------------|----------------------------------|
| 379           | 391671             | 2307  | 1    | 2307              | 0                   | 457.78                       | 0                                      | 0.00                              | 0.00                             |
| 380           | 391677             | 4667  | 5    | 933               | 8,716               | 546.17                       | 4,637                                  | -0.83                             | -46.80                           |
| 381           | 391682             | 389   | 2    | 195               | 3,608               | 804.58                       | 6,208                                  | 7.05                              | 72.06                            |
| 382           | 391684             | 1642  | 2    | 821               | 3,497               | 553.38                       | 2,273                                  | -0.62                             | -35.00                           |
| 383           | 391688             | 1012  | 3    | 337               | 7,260               | 736.13                       | 11,820                                 | 4.84                              | 62.81                            |
| 384           | 401710             | 923   | 2    | 462               | 4,999               | 675.88                       | 7,402                                  | 2.83                              | 48.07                            |
| 385           | 401712             | 6648  | 8    | 831               | 13,960              | 552.74                       | 8,971                                  | -0.70                             | -35.74                           |
| 386           | 401722             | 3447  | 8    | 431               | 20,128              | 690.82                       | 30,500                                 | 3.44                              | 51.53                            |
| 387           | 421759             | 2304  | 6    | 384               | 14,912              | 713.48                       | 23,650                                 | 3.85                              | 58.60                            |
| 388           | 421876             | 177   | 1    | 177               | 1,691               | 813.25                       | 2,921                                  | 7.31                              | 72.74                            |
| 389           | 421893             | 469   | 1    | 469               | 2,473               | 672.51                       | 3,676                                  | 2.93                              | 48.65                            |
| 390           | 421900             | 1360  | 4    | 340               | 9,579               | 734.68                       | 15,762                                 | 4.62                              | 64.55                            |
| 391           | 421932             | 1323  | 1    | 1323              | 1,199               | 521.09                       | 0                                      | -0.85                             | -100.00                          |
| 392           | 421936             | 466   | 1    | 466               | 2,468               | 673.95                       | 3,688                                  | 3.05                              | 49.43                            |
| 393           | 421942             | 1648  | 3    | 549               | 6,965               | 633.95                       | 9,473                                  | 1.65                              | 36.01                            |
| 394           | 431968             | 1652  | 1    | 1652              | 257                 | 499.92                       | 0                                      | -0.15                             | -100.00                          |
| 395           | 432141             | 653   | 3    | 218               | 5,980               | 793.49                       | 9,968                                  | 6.88                              | 66.69                            |
| 396           | 442043             | 669   | 2    | 335               | 4,854               | 737.09                       | 7,854                                  | 4.92                              | 61.80                            |
| 397           | 442107             | 6869  | 1    | 6869              | 0                   | 383.12                       | 0                                      | 0.00                              | 0.00                             |
| 398           | 462198             | 870   | 1    | 870               | 1,750               | 550.23                       | 1,056                                  | -0.71                             | -39.66                           |
| 399           | 462206             | 70    | 1    | 70                | 792                 | 864.83                       | 1,381                                  | 8.88                              | 74.37                            |
| 400           | 462210             | 53    | 1    | 53                | 621                 | 873.02                       | 1,073                                  | 9.16                              | 72.79                            |
| 401           | 472227             | 1241  | 5    | 277               | 10,046              | 765.05                       | 16,738                                 | 5.74                              | 66.61                            |
| 402           | 482252             | 3022  | 2    | 1511              | 1,375               | 508.99                       | 0                                      | -0.43                             | -100.00                          |
| 403           | 502279             | 1644  | 1    | 1644              | 411                 | 500.43                       | 0                                      | -0.24                             | -100.00                          |
| 404           | 502282             | 1495  | 1    | 1495              | 985                 | 510.02                       | 0                                      | -0.66                             | -100.00                          |
| 405           | 502283             | 1631  | 3    | 544               | 6,895               | 636.36                       | 9,588                                  | 1.87                              | 39.06                            |
| 406           | 522430             | 3940  | 3    | 1313              | 3,764               | 521.73                       | 0                                      | -0.91                             | -100.00                          |
| 407           | 532386             | 1839  | 1    | 1839              | 0                   | 487.89                       | 0                                      | 0.00                              | 0.00                             |
| 408           | 532396             | 593   | 1    | 593               | 2,137               | 612.74                       | 2,728                                  | 1.13                              | 27.66                            |
| 409           | 613005             | 67    | 1    | 67                | 507                 | 866.27                       | 1,328                                  | 8.55                              | 161.93                           |
| 410           | 613026             | 174   | 1    | 174               | 1,605               | 814.70                       | 2,887                                  | 7.21                              | 79.88                            |
| <b>Total:</b> |                    |       |      |                   | 1,633,934           |                              | 1,946,134                              |                                   |                                  |